FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,174 — Thursday November 17 1983 — D 8523 B

Comecon tries to cut technology imports, Page 6

NEWS SUMMARY

GENERAL

UK in talks on Cyprus crisis

Britain has embarked on a series of bilateral meetings to try to solve the crisis resulting from the declaration of independence by Turkish Cypriots.

Greece was reluctant to enter tripartite talks that included Turkey. UK Prime Minister Margaret Thatcher and Foreign Minister Sir Geoffrey Howe are today to meet Cyprus President Spyros Kyprianou, who yesterday hinted that he would ask the United Nations to apply sanctions against the Turkish Cypriot state.

Britain, Turkey and Greece are the guarantors of Cyprus's independence. In Athens, the EEC issued a toughly worded condemnation of the Turkish Cypriot move. Page 16

U.S.-Soviet meeting

United States and Soviet negotiators held secret talks in Geneva in preparation for today's negotiating session on limiting Europe-based missiles.

Reagan's message

U.S. President Ronald Reagan wished the Soviet people peace and freedom, and said he was committed to seeking reductions in nuclear weapons. His message marked the 50th anniversary of American-Soviet relations. The Soviet Praesidium sent a message saying ideological differences should not mar relations.

Gandhi's message

Indian Premier Indira Gandhi told parliament she had circumstantial evidence of grave danger to the country and that the Government detected a foreign hand behind trouble in border state Punjab. She did not name Pakistan with which relations have deteriorated in the past two weeks. Page 4

Walesa application

Mrs Danuta Walesa has applied for a Polish passport to travel to Norway next month to accept the Nobel Peace Prize awarded to her husband Lech.

Grenada's arms deal

Jamaican Premier Edward Seaga showed his parliament signed documents agreeing that the Soviet Union and North Korea should supply arms worth $37.6m, taken from the office of executed Grenada Premier Maurice Bishop. Page 6

Iran claims success

Iran says its forces have driven Iraqi troops and Iranian rebels from 19 mountain heights and 20 villages in north-western Iran.

Burmese attack

Burmese troops launched an attack near the Thai border on Karen rebels, who kidnapped a French couple last month.

Brest hits back

Jacques Berthelot, Mayor of Brest, North-west France, is impatient with Soviet surveillance activities around the French port and with the discovery of powerful communications equipment in Eastern bloc lorries coming to collect Breton chickens. He has suspended a twinning arrangement with Estonian capital Talinn and cancelled an Estonian art exhibition next month.

Briefly

Britain's Queen Elizabeth visited a Bangladeshi home for undernourished children in Dhaka.

Lufthansa manager in Bolivia was kidnapped.

Bilbao: Bombs exploded at the offices of Bank of America and Rank Xerox.

BUSINESS

Dutch order 57 more F-16s

● NETHERLANDS Government has ordered 57 more General Dynamics F-16 combat aircraft, to be assembled by Fokker of the Netherlands, in a Fl 2.4bn ($885m) deal. Page 16

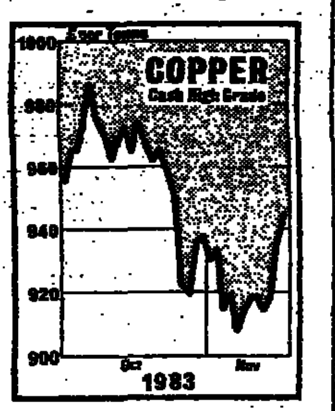
● BRITISH AEROSPACE has won a $300m order for 20 four-engine BAe 146 regional jets for Pacific Southwest Airlines, against U.S. competition. Page 16

● DOLLAR rose to DM 2.687 (DM 2.6765), FFr 8.17 (FFr 8.142), SwFr 2.166 (SwFr 2.161) and Y235.35 (Y234.35). Its Bank of England trade-weighted index eased from 127.9 to 127.8. In New York, it closed at DM 2.693, FFr 8.177, SwFr 2.1765 and Y235.6. Page 39.

● STERLING fell 15 points to $1.484, and to DM 3.9725 (DM 3.9775), FFr 12.0775 (FFr 12.09), SwFr 3.21 (SwFr 3.2125), but improved to Y349 (Y348.25). Its trade weighting, logged before the close, rose from 83.9 to 84. In New York, it closed at $1.4815. Page 39.

● GOLD closed unchanged in London at $383.125 and unchanged in Zurich at $383.5. Markets were closed in Frankfurt for a public holiday. In New York, the Comex November settlement was $375.2. Page 38.

● LONDON: FT Industrial Ordinary index fell 4.5 to 722.8. Government securities showed modest gains. Report, Page 33. FT Share Information Service, Pages 34, 35.



● WALL STREET: Dow Jones index closed 3.35 up at 1,251.32. Report, Page 29. Full share prices, Pages 30-32

● TOKYO: Nikkei Dow index rose 51.52 to 9,430.81 and the Stock Exchange index gained 3.53 at 691.45. Report, Page 29. Leading prices, other exchanges, Page 32

● EEC is reasonably confident that there is enough left in its agricultural budget to get through the year. Page 3

● WEST GERMANY is to increase postal agreement payments to East Germany from DM 85m to DM 200m ($74.7m) a year to extend post, telephone and telex services. Page 2

● SWITZERLAND is to make insider dealing punishable. Page 2

● SPANISH Government has rejected employers' demands to give small companies a freer hand in shedding labour.

● SAUDI ARABIA'S new $3.2bn airport at Riyadh is expected to open on December 5. Page 6

COMPANIES

● VOLVO, the Swedish motor and industrial group, reported pre-tax profits for the first nine months of 1983 66.5 per cent up at SKr 3.2bn ($405m). Page 17

● ITEL, the U.S. railcar and container leasing group, emerged from bankruptcy protection in September with a $3.2m third-quarter loss. Page 17

● U.S. RETAILING: Allied Stores, R. H. Macy, Dayton Hudson, May, Associated Dry Goods, and Zare reported sharply higher earnings. Details, Page 17.

Israelis bomb pro-Iranian guerrilla base in Lebanon

BY PATRICK COCKBURN IN BEIRUT AND DAVID LENNON IN TEL AVIV

ISRAELI aircraft bombed the training base of a pro-Iranian guerrilla group in eastern Lebanon yesterday. The attack was apparently in retaliation for the suicide car bomb attack on the Israeli security headquarters in the southern Lebanese city of Tyre two weeks ago.

According to an Israeli army spokesman, the base, three miles from the Syrian border, was used by terrorists linked with Iran, and served as a training centre and base for attacks such as those carried out in Tyre.

The target is near Nabi Shi'it, the home village of Mr Hussein Mussawi, the spiritual leader of the Islamic Jihad (holy war) group, which claimed responsibility not only for the Tyre bombing but also the attacks on the U.S. and French troops in Beirut a month ago.

Government officials said in Jerusalem yesterday that the decision to attack the Islamic Jihad base was taken after it became clear that the U.S. had no intention of retaliating against the group for the bombing of the Beirut marine headquarters.

At the same time as the Israelis struck, Palestinians loyal to the leadership of Mr Yassir Arafat came under renewed assault at Baddawi refugee camp on the outskirts of the northern city of Tripoli. After heavy fighting Mr Arafat's supporters were driven from the camp, which is now held by Syrian-backed Palestinian dissidents.

Israel's retaliatory raid provoked no immediate military response from Syria or its Druze allies. On a visit to Beirut, Mr Abdul-Halim Khaddam, the Syrian Foreign Minister, played down its significance and gave no indication that Syria would in its turn retaliate.

Mr Khaddam's visit is seen by diplomats as critical for the maintenance of the ceasefire. They say only an understanding between Damascus and Beirut can prevent the comprehensive breakdown of the truce agreed on September 26 between the Lebanese army and the Syrian-backed opposition.

Mr Khaddam said after his talks with President Gemayel that a military committee to ensure the continuation of the ceasefire would be set up. Its likely membership is unclear but the plan for its formation indicates that Syria wishes to restrain its allies from resuming the war.

Mr Walid Jumblatt, the leader of the powerful Druze community, which fought the army last September, is reported to have told his supporters: "We have until the end of the month. If there are no chances of a settlement or at least a serious ceasefire, then the war will go on."

With no foreign observers in place to police the ceasefire as planned under the original truce agreement, it has been visibly breaking down in the past few days. More than 5,000 shells and rockets were said by police to have fallen in and around Beirut on Tuesday.

Mr Donald Rumsfeld, the new U.S. Middle East envoy, was due in Israel last night for talks with Mr Yitzhak Shamir, the Prime Minister, and other Israeli leaders.

● Mr Chaim Herzog, the Israeli President, addressing rows of empty seats after a UN General Assembly walkout yesterday, said the boycott of his speech dramatically illustrated that at the core of Middle East tensions was the refusal of the main protagonists to talk to each other. Reuter reports from the UN that the delegates who left their places included Lebanon and the Soviet Union. Egypt, on the other hand, was represented. Of the majority who boycotted the speech, Mr Herzog said they had left for no reason other than fear.

Free-for-all as ceasefire collapses, Page 4

Oil price strategy divides Opec planners

By Richard Johns in London

THE Organisation of Petroleum Exporting Countries (Opec) is divided over whether demand for members' oil should be revived by an indefinite price freeze or revenues maximised as soon as possible by price increases.

The divergence of view became apparent as Opec's long-term strategy committee, chaired by Sheikh Ahmed Zaki Yamani, the Saudi Arabian Minister of Oil, ended two days of exploratory talks in London yesterday.

Sheikh Yamani said the committee had made progress in what might be a long exercise, and that the differences were less than he had expected.

In practice, most members are reconciled to a long price-freeze but some, like Algeria and Iran, are reluctant to recognise the principle of one.

At least three of the six member-countries represented on the committee (Algeria, Iran and Venezuela) expressed themselves in favour of increased prices as soon as possible, at the expense, if necessary, of collective output – and, by implication, of Saudi Arabia's in particular.

Opposition to a policy – espoused by Saudi Arabia – of an extended price freeze, until the end of next year or even until 1986, emerged ironically as the Soviet Union succumbed to pressure from customers by cutting the price of its Urals Blend crude by 50 cents to $29 a barrel c.i.f. It was the first reduction by a leading oil exporter since the present price structure, based on Opec's reference of $29 for Arabian Light, was established early this year.

A special working party of experts is to be asked to complete a report on different remedies for Opec's long-term difficulties. It will be submitted to the full ministerial conference scheduled to convene in Geneva on December 7.

Resumption of the formulation of a long-term strategy can only complicate the deliberations of the conference, at which prolonged and probably vexed argument over individual members' quotas is expected.

On Tuesday morning at the London meeting, Saudi Arabia was sharply criticised for exceeding 5m

Continued on Page 16

Danish gas project dispute leads to sackings, Page 3; Offshore oil find for Bond, Page 18; Dome sells U.S. assets to Texaco, Page 17

New IBM proposals may help to settle EEC competition case

BY GUY DE JONQUIERES IN LONDON

IBM of the U.S., the world's largest computer manufacturer, has made fresh proposals to the European Commission which it hopes will lead to a settlement of the EEC competition case against it.

Neither IBM nor the Commission would disclose the nature of the proposals, which were made in two separate documents submitted earlier this month. But the company is believed to have shifted its position on the central issue of its policy on publishing vital technical information about its products.

It is unclear, however, whether IBM has moved far enough to satisfy the Commission, which is still studying the proposals and has yet to respond to them formally.

The case charges IBM with abuse of a dominant position in violation of Article 86 of the Rome Treaty. U.S. and Western European computer manufacturers attach much importance to its outcome, which they believe might critically affect their ability to compete with IBM in the future.

The case was launched at the end of 1980 after an eight-year EEC investigation, prompted by complaints by several smaller U.S. computer manufacturers about IBM's trading practices. IBM has consistently denied any wrongdoing.

The Commission originally accused IBM of four separate abuses. But the scope of the case has since been narrowed to focus on the company's policy of refusing to disclose "interface" information about many of its products until they are shipped to customers.

A number of "plug-compatible" companies, which make equipment designed to be used with IBM machines, have complained that the delay gives IBM an unfair competitive advantage. They want IBM to disclose the information when it first announces its products, so that they have more time to develop competing equipment.

IBM is reported to have indicated that if it is required by the Commission to comply with those demands, it may either delay announcing its new products until 30 days before they are first shipped, or make announcements only in the U.S.

Most European computer manufacturers, which have not traditionally made IBM plug-compatible equipment, have paid little attention to the case until recently. But their difficulty in matching the increasingly aggressive commercial tactics which IBM has adopted in the last few years has led them to take more interest in it.

IBM and the European Commission began talks on a settlement some months ago. The Commission appears keen to conclude the case soon. If it cannot negotiate a satisfactory agreement with IBM, it is likely to issue a formal legal decision on the case.

UK Government spending goes well over target

BY MAX WILKINSON IN LONDON

GOVERNMENT spending in Britain appears to be going well over the Treasury's target for the 1983–84 financial year.

The latest official figures released yesterday – showing that spending in October was 16 per cent higher than in the same month last year – provide a sombre background to today's autumn statement on expenditure by Mr Nigel Lawson, Chancellor of the Exchequer.

Mr Lawson will tell the House of Commons that the Treasury has been successful in its efforts to contain public spending plans for next year (1984–85) to the planned total of £126.4bn (about $189bn).

Yesterday's figures show, however, that in the current year there is an embarrassing gap between planned and actual spending.

In the seven months to October 31, supply expenditure, which broadly represents departmental spending on programmes, has risen by 10½ per cent compared with a forecast in the March 15 budget of 5½ per cent for the year as a whole.

This rapid increase has come, moreover, against a background of slower inflation than expected and generally moderate wage pressures.

Spending has been rising at a faster rate than the annual target for six months out of seven in the current financial year.

Mr Lawson hopes that a more moderate rate of spending in the remaining five months will help to bring spending closer to his target for the whole year. In particular, the £600m cuts in public spending announced in July are likely to have most of their effect in the latter part of the year.

There is now pessimism at the Treasury about whether spending can be brought acceptably close to the target by March. An overshoot at the current rate would mean that departments had spent about £4bn more than planned in the final year. The final overshoot, however, is unlikely to be as hight as this.

Four special factors are thought to have boosted the totals so far: changes in the timing of some expenditure items which artificially boosted the percentage increase in spending in some months compared with the same month a year ago; a 40 per cent increase in EEC agricultural spending which has increased UK payments to the Community budget; the 11 per cent increase in state pensions last November; a technical change in the accounting of payments to the EEC.

After taking all these factors into account, the Treasury still believes that the underlying rate of increase in spending in this financial year has been 8 to 9 per cent higher than a year ago. This is 3 percentage points higher than the target increase and would be the equivalent in a full year of an overshoot of about £2½bn, if it were not corrected before March.

Lex, Page 16; Bank of England warning, Page 10

Warning on access charges as AT&T unveils spin-off details

BY PAUL TAYLOR IN NEW YORK

AMERICAN Telephone & Telegraph (AT&T), the U.S. telecommunications giant, yesterday gave Wall Street and its 3.2m shareholders their first real insight into the financial implications of the mammoth Bell System break-up planned for January 1.

The package of financial estimates and projections came, however, with a warning from Mr Robert Allen, AT&T's chief financial officer. He said the whole basis of the projections could be undermined if Congress or the Federal Communications Commission (FCC) further delays the introduction of controversial "access charges" beyond April 3.

AT&T, which will spin off seven independent regional holding companies that will provide local telephone services as part of the court-approved divestiture, detailed its financial projections in a 267-page information statement and prospectus filed with the Securities and Exchange Commission (SEC) yesterday.

The prospectus was prepared ahead of planned divestiture which will result in each AT&T shareholder receiving one share in a new AT&T company and one share in each of the new seven regional companies for every so shares currently held.

Trading in the new shares is due to start on a "when issued" basis next Monday ahead of the actual distribution of the new shares early next year.

AFTER THE BREAK-UP – FORECASTS FOR 1984

	Revenues $bn	Net earnings $m	Earnings per share $
AT&T	56.5	2,100	2.02
Ameritech	8.344	923.7	9.47
Bell Atlantic	8.323	952.2	9.69
Bell South	9.799	1198	12.21
Nynex	9.825	937.6	9.54
Pacific Telesis	8.082	827.7	8.00
Southwestern Bell	7.754	869.6	8.93
U.S. West	7.436	877.8	8.96
Total	116.1	8,687	

Source AT&T

The financial statements are designed to assist AT&T's shareholders, who hold about 1bn shares in the company, to decide which new shares they will hold, which they will sell and which they will swap.

The financial projection for 1984 has also been awaited eagerly by Wall Street analysts

AT&T also announced that the anticipated first-quarter dividend of the post-divestiture AT&T and the seven regional holding companies will be equivalent to $1.365 per each pre-divestiture share. Mr Allen, reacting to questions concerning comparisons between the old AT&T and the eight new companies, said the only meaningful comparison was the earnings per share.

Among the major financial details and estimates revealed in yesterday's filing were:

● Revenues: The eight companies are expected to have total revenues next year of $116.1bn. The new AT&T has projected revenues of $56.5bn, while the seven regionals revenues range from $7.4bn to $9.8bn.

● Net income: The eight companies are expected to have total net income of $8.69bn next year, including $2.1bn from the new AT&T, and net income of between $828m and $1.2bn for each of the seven holding companies. The seven regional holding companies are projecting earnings per share next year of between $8 and $12.21, while AT&T itself, in its slimmed down form, is projecting $2.02 per share;

● Assets: As of June 30 this year, pro forma assets of seven regional companies range from $15.1bn to $20.8bn. AT&T assets are listed as $34.3bn.

Wall St reaction, Page 29; trans-atlantic cable go-ahead, Page 16

CONTENTS

Bonn postal deal with E. Germany

By Leslie Colitt in Berlin

EAST AND West Germany have signed a new postal agreement under which Bonn will more than double its payments to East Germany for services rendered, and East Germany will speed up mail delivery and permit new telephone and telex links.

Bonn will pay East Germany *DM 200m (£50m) annually* until 1990 instead of the DM 85m paid up to last year *for excess postal services* rendered by the East.

Direct telephone dialling will be made possible from West Germany *to an additional* 200 East German localities, including the cities of Rostock and Karl Marx Stadt.

New telephone and telex lines are to be opened between the two German states. East Germany will also permit an optical fibre cable to be laid across its territory connecting West Berlin and West Germany.

Letters and parcels mailed by West Germans to East Germany are to be speeded up and the previous *limit of* 12 parcels a year is to be abolished. Westerners will also be permitted to send a larger range of goods to the East than before.

Cut in central bank aid to high-debt nations foreshadowed

BY JOHN WICKS IN ZURICH

HERR FRITZ LEUTWILER, president of the Bank for International Settlements, has foreshadowed a "gradual cutback" in the injection of public money into high debtor countries.

Creditors should not "overdo things" and stop financial *aid immediately. Herr Leutwiler* said in a lecture at Zurich University. But "when the Brazil*ian case has been dealt with*, the central bank fire brigade will roll in its hoses."

It had been quite proper to use central bank credits as a temporary aid at the start of the debt *crisis, he said.* A domino effect would have hit all parties involved, taking them *largely unawares.* "Now, *however*, 18 months later, the 'hard theory' deserves more attention."

This would mean, he said, that the International Monetary Fund would be rather more cautious in its lending, something which was necessary in any case, in view of its scarcer resources. The governments of creditor countries hardly needed the recommendation to more caution, since the taxpayers' money was involved, he added.

"A certain amount of friction is probably to be expected, but this is the only way to avoid the danger that a declining number of financially strong countries is supporting a growing number of financially weak countries." If this were to happen, the debtor nations would, in time, be reliant on "financial crutches," and the debt problem would get out of control.

With regard to the banks, Herr Leutwiler thought they would realise that "there is not much point *in constantly* advancing interest to certain debtor countries, in order to *receive the money back again*, enter it into the profit-and-loss account, show good earnings—and *then use these to create* substantial provisions because the country's debts have risen even *further*."

In serious cases, cuts would probably become unavoidable.

Developing countries, he said, could not overcome their debt problems, even with great economic efforts. They needed the help of the industrialised world but, in the long term, not just by a constant renewing of credits. He called on the industrial countries in particular to open up their markets to Third World products

Swiss act on insider trading

By John Wicks in Zurich

INSIDER DEALING is to be made a *criminal offence* in Switzerland under draft legislation announced by the Government yesterday. It is expected to become law by January.

Such transactions until now have not been illegal under penal or commercial law. One of the side effects of this has been the inability to grant legal aid in cases where Swiss bank*ing facilities* have been abused in foreign insider deals.

To meet U.S. complaints, the *Swiss Bankers Association* last year agreed with the U.S. Securities and Exchange Commission (SEC) *to provide* information on insider deals on the U.S. stock market.

The new *regulations* are intended to counter the misuse of confidential information "of a kind able *substantially* to influence the market "by people in positions of trust. The penalty *for breaching* them will be a fine or jail term.

Insider transactions have been punishable *in the past only* when business secrets have been divulged to a third party

Commercial law will also be amended to enable the return of the proceeds of the transaction to the affected company.

The legislation covers listed and over-the-counter shares, participation certificates, co-operative certificates and bonds

The Davignon Plan is in trouble, reports **Paul Cheeseright**

EEC tries to save steel cartel

THE EEC steel cartel is in serious trouble. Battles between producers to win larger output quotas and heavy price discounting forced the European Commission earlier this week to introduce a system of minimum prices for key flat steel products, in the hope of stabilising *the market.*

The system of controls on the industry known as the Davignon *Plan is facing its most* severe challenge since it was introduced in October, 1980. The controls, a response to what the EEC called a state of "manifest crisis" in the industry, were named after the EEC's Commissioner for Industry, Viscount Etienne Davignon.

The Davignon Plan has essentially three elements:

- **Production quotas.** To balance supply and demand, the European Commission sets overall output quantities for a range of products covering between 80 and 85 per cent of EEC steel output. Total EEC steel output runs at about 90m tonnes a year. Within the product quantities, the companies are given specific quotas.
- **Price guidelines.** The Commission establishes price levels for each product within the quota system. Each company is supposed to sell at or around those prices. There has been a continual attempt to move the prices upward.
- **Imports.** Through negotiations with outside suppliers, the EEC *has fixed the amount of steel* coming into the EEC so that since 1978 imports have taken between 9.4 and 10.1 per cent of the market. Outside suppliers should respect the internal price guidelines.

The Davignon Plan was introduced under the terms of Article 58 of the European Coal and Steel Community Treaty. *Its purpose* is to provide an umbrella for the steel producers, often state-owned com*panies, so that they* can restructure their operations more easily.

If there can be stability on the market by reducing the level of competition, so the *theory goes, there* will be a better chance of eliminating subsidies from the industry by *the target date of the end of* 1985.

But this year, especially during the *second* half, the Davignon Plan has been progressively eroded. A symptom of the difficulties has been the collapse of Eurofer, the producers' organisation which has played a significant role in making a rather crude system workable—crude in the sense that production quotas were established by reference to past output without taking into account changing conditions.

Viscount Davignon ... restructuring plan for steel in disarray.

Although the Commission set the production quotas, the system was policed in the practical sense by Eurofer. The companies would exchange, buy and sell quotas, letting the Commission know afterwards. This brought flexibility. The breakdown started when the producers started vying with each other for increased quotas. A meeting of the EEC Council of Ministers on July 25 was intended to contain this rivalry, but in fact made it worse.

At that meeting there was some rearrangement of quotas so that France and the UK especially were permitted to increase output. So, too, but to a lesser extent, were West Germany, Belgium and the Netherlands.

But since then West Germany has stepped up its campaign for a larger share of output and has waged a public battle against both the way the Commission was running the Davignon Plan and the subsidised state producers. Italy has also been seeking extra output. The effect of these rivalries was to weaken Eurofer so that it could no longer play its policing role.

The manifestation of the tension has been sharp discounting *of prices.* For example, cold reduced sheets, used in car and domestic appliance manufacture, have had a guideline price of DM 1,040 (£261) but have been selling in West Germany at DM 900.

Steel consumers accuse the producers of not obeying the quotas. Although the market *has been difficult*, they argue that the only way the producers have been able to get rid of their steel has been by discounting, mainly in flat products.

The producers, unable to resolve their problems, have looked increasingly to their own governments to argue their case for them with the Commission. The stronger this *process* has become, the more trust has diminished.

The result has been to *push* the Commission, in its role as administrator of the Davignon Plan, into a more *exposed* and more active role in the running of the industry.

The Commission's response has been its decision, to come into effect on December 1 after consultation, *to change the price* guidelines to price controls for four categories of products—*hot rolled coils, cold rolled thin* and heavy plate and for heavy sections. But as Viscount Davignon admits, it is no use having price controls without quota controls.

The Commission, after consultations, can under Article 61 of the European Coal and Steel Community Treaty, act on prices. It has less freedom on quotas. Decisions about that have to be taken by the EEC Council of Ministers.

The Council has agreed the practicalities of the quota system only up to the end of next January. For the period between then and the end of 1985—when the restructuring should finish—there is only an agreement in principle.

Thus the arguments which have split Eurofer on quota shareouts will have to be handled by the politicians in the next few weeks. But no date *for a* meeting has been set.

Political agreement will be the main element in sticking the Davignon Plan together again. Meanwhile, Eurofer is carrying on its own negotiations and executives who attend the meetings are hopeful of a new agreement by the end of the year.

The fact that Eurofer is not functioning this quarter is not seen as vital—most of the quotas have already been sold. But there are serious doubts about how long the Commission can administer a complete system of controls over the steel industry on its own.

Missiles issue 'unlikely to affect' Bonn-Soviet links

BY OUR BERLIN CORRESPONDENT

THE SOVIET UNION does not plan to retaliate politically against Bonn if new U.S. missiles are deployed in West Germany. Count Otto Lambsdorff, Bonn's Economics Minister, said after talks with Mr Nikolai Tikhonov, the Soviet Prime Minister.

He said Mr Tikhonov did not make a "single suggestion" that *political* tensions might affect Soviet-West German economic relations. "On the contrary, *the Soviet side* urged economic co-operation to be expanded."

Count Lambsdorff said he rejected any inclusion of British and French missiles in the Geneva disarmament talks. He also criticised the Soviet ambassador to West Germany, Mr Vladimir Semyonov, for warning members of the Bundestag that if it votes on November 22 for deploying the missiles, the Geneva talks would collapse. He said the Bonn Government regarded this as an "unpleasant act of pressure on the MPs."

The minister was in Moscow to attend a meeting of the joint Soviet-West German commission on economic and scientific-technical co-operation. He noted that the Soviet Union promised to restore direct telephone dialling between Moscow and West Germany early next year for West German businessmen residing in the Soviet capital.

In addition, West Germans who frequently visit the Soviet Union on business will be given multiple entry visas instead of having to apply for each trip.

Count Lambsdorff said West German agricultural specialists may take up a Soviet offer to run a 1,000 hectare farm in the Soviet Union, using West German farm equipment, seed and agricultural techniques, as part of the Soviet crash programme to improve agricultural output. British and Swedish companies were planning similar trials in the Soviet Union, he said.

Herr Berthold Beitz, chairman of Krupp's Supervisory Council who was in the West German delegation, said Soviet officials told him that 30-40 per cent of the annual Soviet harvest rots because it cannot be stored properly. He also noted that Moscow had offered *to allow Grundig to build television* sets in the Soviet Union which could be sold throughout Comecon.

West German companies may be able to win contracts to modernise the Soviet Union's overloaded ports according to Herr Otto Wolff von Amerongen, head of the Eastern Trade Council of German Industry, who accompanied Count Lambsdorff.

The West German delegation's visit also marked the tenth anniversary of Soviet gas deliveries to West Germany. Count Lambsdorff said contracts to buy additional amounts of Soviet gas would depend on the long-term trend of gas consumption in West Germany. He suggested that the U.S. attempt to delay completion of the latest Siberia pipeline to the West had *only made* the Soviet Union redouble its efforts to prove it could complete it on time.

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Turkish Cypriots could lose all EEC benefits

BY JOHN WYLES IN STRASBOURG

THE TURKISH part of northern Cyprus risks losing all trade concessions and financial aid from the European Community following its declaration of independence. This is because the Greek Cypriot Republic—the only Government on the island recognised by the EEC—is expected to ensure that the Community stops applying the terms of its association agreement with Cyprus to the Turkish part of the island.

The result will be the imposition of EEC tariffs on manufactured products from the Turkish sector which have enjoyed duty free access since 1973. The Community would also end preferential access for a range of agricultural products and halt the suply of grants and loans.

The ten-year-old association agreement aims at the creation of a customs union between Cyprus and the EEC and has been based on the principle that it should benefit the island's entire population.

If the Turkish community is now effectively cut out of the agreement, then the distribution of grants and loans under a new five-year financial protocol would also be affected. This is due to come into force next year and is worth a total of Ecu 44m (£25.5m).

One immediate practical problem for the Community is the future of a large sewerage scheme covering both Greek and Turkish halves of Nicosia. This is being built with the help of £4.35m of EEC money and may now not be completed.

Decisions on how to apply the association agreement will have to be taken by the EEC Council of Ministers. It is not yet clear how quickly the Community will respond, but foreign ministers may find time for a preliminary discussion when they meet in Brussels on November 28-29.

Another casualty of the new situation on Cyprus looks likely to be the possibility of an early thaw in EEC relations with Turkey which seemed likely to improve following the recent general election. The provision of a new five-year EEC financial protocol for Turkey worth ECU600m may be delayed indefinitely, having already been held up since 1981.

Cries of independence fail to shatter southern calm

BY OUR NICOSIA CORRESPONDENT

"THERE WAS more tension and commotion in Greece than I found here," a reported from an Athens newspaper said on arriving in Nicosia shortly after the Turkish Cypriots in the north declared independence. Greek Cypriots went about their business as if littel had happened.

Radio and television programmes were unchanged. All was quiet along the buffer zone where young national guardsmen patrolled in the fine autumn weather. Mr James Holger, the most senior United Nations official on the island, reported no incidents of any kind. Only shcoolchildren in the capital staged some noisy but peaceful demonstrations against the move.

The UN convoy taking supplies to the 1,500 Greek Cypriots stranded in the north continued to operate as in the past, and there were no indications that the Turks would be introducing any restrictions, said Mr Holger.

"We are in a period of wait and see," he said, indicating that attention was no shifting to New York where the Security Council may take decisions that could affect the UN force, stationed here since 1964.

The Government has not so far announced measures to change the situation concerning relations between the two sectors—such as the movement of diplomats and UN personnel. But it is likely that movement between the two sides, usually done through a crossing point near the once-famous Ledra Palace Hotel in Nicosia, may now become more difficult, especially for tourists and the Britons living in the north.

There have been reports that the Government may cut off electricity supplies to the north. The Turkish Cypriots have not been paying their electricity bills for more than 10 years, while they continue to obtain all their supplies from two power stations in the south. Mr Rauf Denktash, the Turkish Cypriot leader, has hinted at reprisals in such an event "since the power stations belong to both peoples."

President Sypros Kyprianou has stressed several times the need for "calm and self-restraint" and the avoidance of any hasty decisions while the diplomatic battle is going on at the UN headquarters.

The few hundred Britons living in the north (who usually cross to the south for their shopping) are anxious about their future, however, especially in cview of the expected strain in relations between the Denktash administration and Britain. When members of the British community called on Mr Denktash shortly before he left for New York, he assured them of "his government's continned interest in their welfare and in the welfare of all those who chose northern Cyprus as their home," according to the Turkish Cypriot radio.

The British bases in the south also carried on as usual. But Turkish Cypriots who cross every day to work at one of them—Dhekelia—may be forced to give up their jobs.

The north has been celebrating for the past two days. Mr Denktash, who toasted the independence declaration with champagne, declared: "I cannot express my job in words." The whole of the North of Nicosia is festooned with Turkish flags, with one huge banner strung between the tall minarets of the city's main mosque.

Paris names new coal industry chief

By David Housego in Paris

A PROSPECTIVE successor to M Georges Valbon, the former Communist head of Charbonnages de France (CdF), was named yesterday as Communist deputy in the National Assembly in a further reversal of policy joined with Socialists to approve the 1984 coal budget over which he resigned.

The new head of the state coal industry is to be M Philippe Huet, 63, a senior civil servant. He was appointed by the Government yesterday to the board of Charbonnages which is expected to confirm him as chairman on Monday. The managing director and executive head of CdF remains M Michel Hug, who will be responsible for putting through the new programme of pit closures.

Communist deputies caused considerable surprise by approving the coal budget with barely a murmur of criticism. The budget holds state assistance to the coal industry at this year's FFr 6.5bn (£538m), thus implying a substantial cut in real terms which will force CdF to lay off several thousand people.

Approval came within the framework of a vote on the overall industry budget which the Communists support for the increased funds it makes available to the nationalised industries. The Communist Party evidently felt that having made known its opposition to the new coal policy through the resignation of M Valbon, it did not want to press the point further.

The same shrinking from a conflict with the Socialist Party has been reflected in further statements from Communist leaders that run counter to the more critical remarks from M George Marchais, party secretary-general, and M Henri Krasucki, secretary of the Communist-led CGT union, earlier in the week.

Again the Communist tactic appears to be that having warned the government that they want to preserve their freedom to criticise publicly, they are now eager to show as well that they do not want a final rupture with the Socialists.

The widely opposing statements also reflect differences of policy within the party over how far to push their hostility to the austerity measures and to the Government's attitude over missile deployment in Europe.

Dispute over Danish gas project leads to boardroom sackings

BY HILARY BARNES IN COPENHAGEN

DISAGREEMENT about how to finance substantial losses on the Danish Government's North Sea natural gas distribution project appear to lie behind the dismissal earlier this week of the chairman and most of the board of Dansk Olie og Naturgas (DONG), the state-owned oil and gas company.

The Copenhagen financial newspaper, Borsen, yesterday claimed that Dong needs DKr 4bn (£285m) in new capital in addition to the funds to cover the DKr 10.2bn (£728m) financial deficit which the company expects to run up by 1987.

Mr Knud Enggaard, the Energy Minister, has so far given only very general reasons for dismissing the chairman, Mr Jens Christensen (a former Danish ambassador to London) and all other members of the board except the employee representatives. They have been replaced temporarily with the permanent under-secretaries from four ministries—with Mr Holger Lavesen, Environment Ministry, as chairman.

According to company officials, the main reason for the minister's action was that Dong wanted to put its finances on a better footing by taking over the income from state-owned gas and oil pipelines to the mainland from the Danish North Sea fields, but the Government opposed the solution.

Dong is due to begin distributing 1.5bn cubic metres of gas from the fields next autumn, rising to 2.5bn cubic metres after two years. About a quarter of the gas will be sold to Sweden and West Germany.

The DKr 10.2bn estimated financial deficit for the project to 1987. Most of the funds to cover the deficit are being raised abroad, but at present oil prices and dollar exchange rates the borrowing requirement will be substantially higher, said Borsen.

The heavy initial losses have never been contested by Dong, which believes the project will break even in the late 1990s and make large profits from then on. One of the main critics of the project, Mr Lennart Larsson, chairman of the Folketing (parliament) energy committee, suggested during the summer, however, that by normal commercial standards, Dong should be regarded as insolvent.

Unions confident as Dutch pay talks resume

By Walter Ellis in Amsterdam

DUTCH TRADES union leaders go into a fresh round of talks on public sector pay today with their confidence boosted by a government agreement to discuss 1984 proposals as well as those for 1985 and 1986. Until talks resumed on Tuesday evening, the Government's line was that planned pay cuts of 3 per cent for next year would go ahead and that the only subject left for negotiation was cuts for the succeeding two years.

Union leaders representing the Netherlands' 700,000 public employees — local authority workers as well as civil servants —managed to persuade Mr Koos Rietkerk, Home Affairs and Civil Service Minister, to put 1984 back on the agenda for discussion. Both sides now accept that a three-year package on pay and conditions is the best way out of the current dilemma, which has produced a wave of disruption

Mr Rietkerk and the unions have apparently endorsed the principle that wage reductions should be discussed alongside cuts in the average working week.

Brussels expects farm cash to last the year

BY JOHN WYLES IN STRASBOURG

THE EUROPEAN Commission is reasonably confident that there is enough money left in the EEC's 1983 agricultural budget to get through the remainder of the year without another cash flow crisis.

To underline its caution, however, the Commission decided in Strasbourg yesterday only to pay 60 per cent of the Ecu 1.2bn (£684m) which member states have requested in advance payments for December. These advances are meant to satisfy governments' estimates of the costs of running the common agricultural policy in the month ahead.

The total requested is, in fact, Ecu 100m more than the Ecu 1.1bn remaining in the farm budget. As a result, the Commission will review finances again at the beginning of December when it should know whether governments have over-estimated or underestimated their requirements for the month.

A shortfall of Ecu 100m or so represents little more than two days of monthly farm spending and could comfortably be covered by a variety of means, say Commission officials.

The prospects of getting through the year without further cash problems have been greatly helped by the measures the Commission took last month to defer around Ecu 400m of spending until next year.

This will merely add to next year's potentially grave problems, however. The Ecu 16.5bn earmarked for agriculture is only 4.4 per cent higher than this year's total spending and cannot be added to because the Community will be spending virtually all of the money available under the legal ceiling on its budget income.

Irish GNP forecast to grow by 2% in 1984

BY BRENDAN KEENAN IN DUBLIN

THE IRISH economy could begin to recover next year, according to a forecast from the Economic and Social Research Institute (ESRI) in Dublin. The institute predicts a return to growth, with a 2 per cent increase of gross national product (GNP) compared with the 2 per cent decline over the past two years.

The forecast also says that the improvement in Ireland's balance of payments will continue and that next year will see only a small deficit of about I£30m (£23.5m) less than half a per cent of GNP. The central bank warned recently that this improvement could be temporary if efforts to curb government spending are relaxed.

The ESRI has been one of the few bodies warning of the dangers of too deflationary policies in curbing government deficits. It says that the projected recovery would be jeopardised if government spending is reduced too rapidly but accepts that the strategy is correct. It forecasts that Exchequer borrowing will fall to I£1.5bn, compared with this year's I£1.7bn.

The institute expects inflation to fall again next year, to 7.5 per cent from this year's 11 per cent. It believes conditions exist for an export-led recovery but the key question is whether the modest return to growth will stimulate investment—which remains stagnant—and fuel a faster and more sustained recovery.

Bundesbank campaigns for better company finances

BY JOHN DAVIES IN FRANKFURT

THE BUNDESBANK says West German companies must improve their profits and their own resources of capital and reserves, if they are to strengthen their competitiveness and provide more jobs.

In a study of the results from 20,000 concerns, the central bank said that profits after tax amounted to only 1.5 per cent of sales revenue last year and in 1981. This was a setback from 2.2 per cent in 1980 and 3.6 per cent in 1970.

Companies' own resources of capital and reserves covered only 18.5 per cent of their balance sheet total last year, slightly less than in 1981. By contrast, they covered about 30 per cent in 1965, when the central bank began making a detailed analysis.

The Bundesbank said that the weakening of companies' own resources — and their heavier reliance on outside credit — was one reason why so many could not withstand the difficulties of the past few years. The number of companies declared insolvent last year was nearly 50 per cent more than in 1975, which was also a difficult year.

It conceded, however, that companies did not have favourable conditions last year to mobilise new capital. Potential investors were more attracted to money markets with high interest rates, or to artificial loss-making companies and certain types of building projects with tax advantages.

The bank's remarks are the latest in its campaign for an improvement in company finances as a basis for a revival of West Germany's economy and competitiveness.

Herr Karl Otto Poehl, the Bundesbank president, has also come out lately against union demands for a cut in the working week from 40 hours to 35 hours. He has warned that a sharp conflict over this demand could harm economic recovery.

The economy has been showing signs of gradual recovery since late last year. As a result, profits have been improving in some sectors, notably the chemical industry.

S. African resignation may lead to by-election

By J.D.F. Jones in Johannesburg

THE SUDDEN resignation of South Africa's influential Minister of Manpower, Mr Fanie Botha, will broaden the scope of the cabinet reshuffle that is expected in Johannesburg. It also promises a by-election in the constituency which the ruling National Party least wants to contest.

Mr Botha, who was largely responsible for the recent reforms in South Africa's labour relations system, was forced to resign after allegations that, when he was Minister of Mines, he promised diamond mining concessions to a friend. There had earlier been suggestions of other irregularities in his personal finances.

Cabinet ministers do not normally retreat to the back-benches of parliament and although no decision has been taken, it must be assumed that Mr Botha will want to leave politics.

This will lead to a by-election in his Soutpansberg constituency in the Northern Transvaal, in one of the country's most right-wing districts.

There is a good chance that the seat could be captured by the Conservative Party which broke away from the government last year.

Apart from the possible loss of a parliamentary seat, the government will be reluctant to go into yet another debate between Reformists and conservatives, just after a two-month national referendum and an earlier by-election in Soutpansberg provoked—rashly—by Mr Botha.

Mr Botha was the senior cabinet minister in Mr P. W. Botha's government. His responsibilities as Leader of the House have immediately been taken over by the Minister of Transport, Mr Hendrik Schoeman.

The Finance Minister, Mr Owen Horwood, is widely believed to be nearing retirement — he is expected to become chairman of Nedbank.

There have also been renewed rumours that the Minister is responsible for Black Affairs, Dr Piet Koornhof, may be on the way out.

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AS VIOLENCE IN LEBANON INTENSIFIES, SYRIAN INTENTIONS BECOME EVEN MORE VITAL

Ceasefire slides into free-for-all

BY PATRICK COCKBURN IN BEIRUT

OFFICIALLY there was a ceasefire yesterday in Lebanon. In practice, Israeli jets bombed Islamic fundamentalists in the Bekaa Valley to the east, PLO dissidents drove Palestinians still loyal to the leadership of Mr Yassir Arafat out of Beddawi refugee camp and Druze gunners shelled mainly Christian East Beirut.

The seriousness of the Lebanon situation seven weeks after the end of the war in the Chouf mountains is underlined by the fact that everybody expects the fighting to get worse.

The balance of power in Lebanon has tipped even further away from the government of President Amin Gemayel towards Syria and its allies. In south Beirut, stronghold of the Shi'ite Moslems, Lebanon's largest community, feeling is increasingly anti-Government.

President Gemayel has admitted that his administration controls only 10 to 20 per cent of Lebanese territory. It is now possible to drive the 68 miles from Damascus to Beirut without leaving territory controlled by either Syrian troops or Syrian allies. In military terms, the Syrian predominance in Lebanon is an established fact, so long as the Israelis show no inclination for a new war. Only Syrian President Hafez al-Assad can prevent the daily more tenuous truce gradually collapsing.

It is this which gives particular significance to the visit yesterday of Mr Abdul-Halim Khaddam, the Syrian Foreign Minister, to President Gemayel in Beirut. A military commission is to be set up to prevent a breakdown of the ceasefire, but the key question is the extent of the political concessions which the President is willing or able to make.

The May 17 agreement between Israel and Lebanon has become the symbol of Lebanon's future alignment in the Middle East. The Syrians and their allies want it abrogated in one way or another. Syria wants Lebanon to return to the position it was in before last year's Israeli invasion with a weak central government and Syria the predominant influence in the country.

President Assad also wants the multinational force to leave, above all the contingent of U.S. marines. This will diminish U.S. influence and end the Lebanese Government's hope that at the end of the day it could rely on the might of the American fleet.

The problem is that the Christian community, and the Phalange party which dominates it, does not want to make obeisance to Damascus. Leaders of the Christian militia, known as the Lebanese Forces, still believe they can withstand Syrian hostility by making an alliance with Israel.

President Gemayel needs to be able to carry his own community with him if he is to reach an understanding with Damascus and at present, it is not clear that he will succeed.

He is to some degree a victim of American policy in Lebanon. On the one hand, a vast American armada sails offshore, including three aircraft carriers with 300 aircraft. This display of strength originally seemed to imply to the Lebanese that President Ronald Reagan was fully committed to a military alliance with President Gemayel's Government.

But in the weeks since hundreds of U.S. marines and French paratroopers were killed by truck bombs on October 23, the Lebanese have noted that the threats of retaliation against the bombers by President Reagan and Mr Shultz, the U.S. Secretary of State, have not been made good. They believe that the U.S. does not dare to risk a wider conflict with Syria.

But President Reagan may also be loathe to make the necessary accommodation with Syria to maintain the ceasefire. If it does collapse, U.S. marines are likely to come under fire again, and Mr Reagan will find it difficult not to retaliate. He may thus be dragged into a new round of fighting in Lebanon, in order to keep the Lebanese Government in business, without any clear political objectives.

Israelis turn attention to Shi'ites with raid on training base

BY DAVID LENNON IN TEL AVIV

THE KILLING of "Jewish, American and French heretics" is the holy right of the Islamic struggle, according to the Islamic Jihad (holy war) group whose Lebanese headquarters were bombed yesterday by Israeli fighter jets.

The Islamic Jihad has claimed responsibility for a number of suicide car bomb attacks in Lebanon this year, the most recent being that which killed 60 people at the Israeli security forces' headquarters at Tyre in southern Lebanon two weeks ago.

Yesterday's air raid was clearly a retaliation for the Tyre bombing but it may also be the beginning of a new campaign by Israel against the extremist Islamic fundamentalist organisations which draw their inspiration from the Shi'ite Moslem revolution of the Ayatollah Khomeini of Iran.

Islamic Jihad has also claimed responsibility for the car bomb attacks in Beirut a month ago which killed over 200 U.S. marines and more than 50 French soldiers; for the car bomb which seriously damaged the U.S. embassy in Beirut in April and the bombing of the Iraqi embassy in December 1981.

The group's training base, which was hit by Israeli aircraft yesterday morning, is located in the Baalbeck region of the Bekaa Valley in eastern Lebanon, three miles from the Syrian border. The base is beside the village of Nabi Chit, the home of Mr Hussein Mussawi, the group's spiritual leader.

The fundamental objective of Mr Mussawi is to spread the revolution of the Ayatollah Khomeini and to create an Islamic republic in Lebanon, according to Israeli observers. Driving out Israeli, U.S. and other foreign forces from Lebanon is thought to be one of the steps along this path.

The 1m Shi'ites, the largest single religious group in Lebanon, have proved fertile ground for Mr Mussawi's preachings. Jerusalem is quite worried that his support has grown among the 250,000 Shi'ites living in southern Lebanon under Israeli occupation.

The Islamic Jihad suicide squads are believed to be drawn from the 500 Revolutionary Guards sent to Syria and Lebanon by Iran during the Israeli invasion. They did not play an important role during the war but Israel is worried about the growing militancy in the community and the difficulty of stopping suicide attacks. Hitting the group's training base is clearly the first step.

Because the Islamic Jihad is based in the Syrian-controlled Baalbeck region, and some of its religious leaders live in Damascus, Israel is also holding Syria responsible for backing the group.

Manila paves way for renewal of credit lines

BY EMILIA TAGAZA IN MANILA

THE PHILIPPINES has obtained some relief from the freeze on import financing with the release by the central bank of an initial $50m for the opening of new letters of credit.

The $50m is part of the foreign exchange earnings turned over to the central bank by commercial banks.

Early this month, the central bank ordered other banks to sell all their foreign currency earnings—instead of the previous 80 per cent requirement—in the hope of raising dollars for the import of basic commodities, especially oil.

Since the Philippines asked for a moratorium on loans falling due between October and January, amounting to some $4bn, foreign trade financing was halted, with banks refusing to open letters of credit for Philippines importers.

As a result, there has been a considerable slowing in economic activity as manufacturing industries failed to import their raw materials.

Although $50m is a small amount compared with the requirements of importers, it will at least pave the way for the renewal of credit lines.

The central bank said it is also negotiating for the release of some $30m to $50m from the U.S. Economic Support Fund (ESF) to add to the resumption of trade credit lines.

The ESF is part of the financing package committed by the U.S. in exchange for the use of two military bases in the Philippines.

Meanwhile, central bank officials confirmed that the government has sold a significant part of its gold holdings in the world market to shore up foreign exchange reserves.

The officials said that about 325,000 troy ounces of gold were sold from January to October this year. Of this volume, 198,000 troy ounces were shipped in September and October, at the onset of the current foreign exchange crisis.

Sino-British relations normal, Peking says

BY MARK BAKER IN PEKING

CHINA says its relations with Britain are normal and developing well and has indicated a positive reaction to the progress of the Hong Kong talks.

The Information Director of the Chinese Foreign Ministry, Mr Qi Huaiyuan, gave the assessments yesterday while responding to questions about the Sino-British talks.

Mr Qi told a weekly briefing for correspondents that he had been asked to describe the state of political and economic relations between China and Britain.

"At present, Sino-British relations are normal and are developing well. There have been a lot of exchanges going on in all fields," he said.

The statement, apparently made for the particular benefit of many Hong Kong correspondents present, reinforces the impression that the talks are settling down and that the two sides have resolved to restrain earlier attacks on each other.

However, there is still no public evidence that progress is being made on the key issues of what will happen in the colony after the British leases expire in 1997.

The sixth round of talks since July ended in Peking yesterday. The two sides will meet again on December 7 and 8.

Mr Qi yesterday repeated China's view that the latest negotiating session had been "useful and constructive."

He said that the leaders of the negotiating teams, Sir Percy Cradock, British Ambassador to China, and the Chinese Vice-Foreign Minister, Mr Yao Guang, had met informally at least once since October.

Gandhi gives warning of 'danger' to India

BY K. K. SHARMA IN NEW DELHI

INDIRA GANDHI, India's Prime Minister, yesterday told Parliament that she had evidence of "grave danger" to the country and said the Government had detected a "foreign hand" behind the troubles in the Punjab.

Her statement follows a sharp deterioration in relations with Pakistan in the last two weeks. Although she avoided mentioning Pakistan by name, she left members in no doubt as to which country she was referring to.

Shortly after the Prime Minister's speech, Mr P. C. Sethi, the Home Minister, said that Pakistan had helped Sikh extremists in Punjab, providing them with arms and ammunition.

The Punjab is now under direct rule following several bomb explosions and violence during the Sikh agitation for autonomy six weeks ago.

Mrs Gandhi angrily rejected a statement by the recently appointed Governor of Punjab that he had no information of foreign interference in the state's affairs.

"If the governor does not have information, it is his business," Mrs Gandhi snapped. She indicated that the Indian Government had its own sources of information, but declined to elaborate.

The Home Minister attacked the Sikh leaders for their refusal to hold talks on the Punjab crisis, and hinted that the Government was still willing to seek a negotiated settlement.

Kerry Packer ordered to testify

By Colin Chapman in Sydney

AN AUSTRALIAN federal court judge yesterday ordered Mr Kerry Packer, the businessman, to appear before the Royal Commission headed by Mr Frank Costigan, QC, which is investigating organised tax evasion and other crimes.

Mr Justice Morling said Mr Costigan was entitled to ask Mr Packer and other witnesses whether an interest-free loan of A$225,000 to Mr Packer, allegedly made by a Queensland property developer, was related to the distribution of drugs in that state by members of the Painters and Dockers' Union.

The judge refused an interim injunction sought by Mr Packer restraining the Royal Commission from requiring the other witnesses to give evidence.

But he said his order would not be implemented until next Wednesday to enable Mr Packer and the other men to decide whether they wished to appeal to a full bench of the federal court.

AMERICAN NEWS

National Semiconductor dismisses IBM threat

BY LOUISE KEHOE IN SAN FRANCISCO

NATIONAL Semiconductor, a leading U.S. semiconductor chip manufacturers, yesterday dismissed as "legal jockeying" IBM's threat of a $2.5bn (£1.7bn) suit for damages arising from an alleged conspiracy to steal IBM computer secrets.

IBM confirmed on Tuesday that it plans to sue National Semiconductor and its computer subsidiary National Advanced Systems (NAS) for between $750m and $2.5bn. If awarded damages by the court, IBM expects the sum to be trebled.

National Semiconductor has annual sales of about $2bn. Revenues for NAS, which sells mainframe computers built in Japan by Hitachi, are estimated at $325m-$350m for the past year. NAS computers are "plug compatible" with those sold by IBM. The company recently sold its 300th computer. IBM, by comparison has annual sales of $34.3bn.

The suit, which IBM's lawyers say will be filed in the next 10 days, is an amendment of an earlier complaint charging Hitachi of Japan and several individuals, as well as National Semiconductor and NAS, with "racketeering and unfair competition," following criminal charges of secrets theft against Hitachi.

Hitachi has since pleaded guilty to the charges and recently reached an out-of-court settlement with IBM. Full terms have not been disclosed, but the settlement is reported to include a $300m payment to IBM. An IBM official said the new suit would deal specifically with NAS and its parent company.

NAS became involved in the IBM secrets theft case against Hitachi when confidential IBM documents were found at NAS headquarters in Mountain View, California by FBI officers investigating the thefts last year.

According to FBI statements, the documents were allegedly stolen by two NAS employees who had previously worked for IBM. The two were further alleged to have attempted to sell the documents to Hitachi.

NAS dismissed the two employees within hours of the discovery of the documents and company officials claimed no knowledge of the IBM materials. Criminal charges against the two individuals were dismissed when the U.S. Justice Department failed to comply with a court order to supply information relating to IBM's involvement in the undercover FBI investigations. No criminal charges were brought against NAS.

IBM has, however, charged that senior NAS officials knew of and made use of the documents. At a hearing in San Francisco on Tuesday, Mr Thomas D. Barr, Chief Counsel for IBM, told the court that NAS had obtained access to IBM research data and proprietary information. Damages due to IBM, according to Mr Barr, must be determined according to how much of that information had been used by NAS.

Twelve months ago, NAS agreed with IBM to hand over all IBM documents and not to make use of the IBM secrets pending a settlement or trial. IBM and NAS also agreed to set up a procedure designed "to arrive at a mutually acceptable disposition of the pending litigation."

According to NAS President David Martin, lawyers for both parties have been meeting. "Conversations" between IBM and NAS have been taking place since the recent settlement of IBM's suit against Hitachi, he said recently.

Debt crisis in Latin America costs jobs

By Stewart Fleming in Washington

THE LATIN American debt crisis will have cost the U.S. nearly 400,000 jobs in 1982 and 1983 as a result of the plunge in U.S. exports to hard-pressed countries struggling to economise on foreign exchange and eliminate deficits.

At the same time, a sharp recovery in exports from Latin American countries to the U.S. this year is helping these countries to improve their trade and financial positions, but, as U.S. Steel's recent dumping action against Brazilian and Mexican steel imports shows, it is adding to domestic competitive pressures.

An analysis of U.S. trade relations with 20 Latin American countries by the Federal Reserve Board of New York suggests that by the end of 1983, U.S. exports to these countries will have fallen to $24bn, a 40 per cent slump from the 1981 peak of $39bn. In that year the Latin American countries accounted for 25 per cent of total U.S. exports.

The Fed study goes on to suggest that, for major Latin American countries, efforts to curb their imports have still to run their course. This is a conclusion which bodes ill, not only for U.S. export trade to these countries, but also for important export industries in Europe, for example.

The study says that U.S. exports to Mexico, the first Latin American country to hit a severe problem in 1982, fell by one third in that year and are expected to fall further in 1983 as Mexico's adjustment programme takes effect.

"While U.S. exports to Argentina also fell sharply in 1982, the full impact of the contraction in Brazil, Venezuela and most other Latin American countries is only being felt this year."

The rise in the value of the dollar may have been a factor in cutting U.S. exports to these countries.

But the Fed study concludes that the debt problems of the Latin American countries was the major factor at work, since the 22 per cent fall in U.S. exports in 1982 was only slightly greater than the 19 per cent fall in total exports to the region in that year.

The strenuous efforts which the Latin American countries are making to curb their imports has a disturbing aspect for the economic outlook for the countries themselves since it has almost certainly led to shortages of important semi-manufactured materials and could in time slow the countries' economic recovery.

The Fed study points out that whereas the exports from Latin America fell by $10bn in 1982 to $97bn, there are signs of an upturn this year, and exports to the U.S. are rising particularly sharply.

In the first half of 1983, U.S. imports from Latin America grew 11 per cent compared with the same period of 1982, while imports from the rest of the world fell 2 per cent.

Chemical imports were 64 per cent higher in this period and machinery imports were 26 per cent up.

Property group plans telecom joint venture

BY PAUL TAYLOR IN NEW YORK

OLYMPIA and York, the Toronto-based property group, plans to set up a $100m joint venture with United Telecommunications, the third largest U.S. telecommunications group, to offer tenants a satellite communications network.

The private telecommunications network, which will offer voice, data and teleconferencing features, could pose a further challenge to the local telephone company since it would bypass the local network.

Bypass has become a major problem for the local telephone companies, since it deprives them of some of their most lucrative value-added services. A number of major U.S. corporations including Westinghouse, Heinz, Citibank, Merrill Lynch and Sears and Roebuck, have already installed bypass systems but the move by Olympia and York is thought to be the most ambitious proposal by a landlord.

Olympia and York is the largest office developer in North America and second largest office landlord in New York after the Rockerfeller Center. It owns 11 major office blocks on Manhattan. Under the plan, these buildings, together with office blocks in eight other cities, would be linked together by the satellite network.

Under the terms of the deal, United Telecommunications, the third largest telecommunications group in the U.S. after AT & T and GTE, would have a majority stake in the joint venture with its Isacomm subsidiary offering the satellite services to the new company to be called Olympianet.

The Olympianet development could also pose a challenge to other bypass projects

Bishop 'signed arms deals'

By Canute James in Kingston

THE FORMER Grenadian government of Mr Maurice Bishop, the Prime Minister who was executed in a coup last month, had signed military supply agreements with the Soviet Union and North Korea, valued at $37.6m.

This was revealed in Government documents taken from Mr Bishop's former office in Grenada, and presented to Parliament in Kingston by Mr Edward Seaga, the Jamaican Prime Minister.

According to the treaties signed by Grenada, the Soviet Union was supplying $25.6m worth of military material, while the North Koreans supplied the rest. The supplies from the USSR were being delivered through Cuba, according to the documents.

Greyhound to confront strikers

BY TERRY DODSWORTH IN NEW YORK

GREYHOUND LINES, the U.S. long distance bus company, is heading for a showdown with 12,500 strikers today as it attempts to resume operations using newly-hired strike breakers.

The company said yesterday that although talks were resumed with the Amalgamated Transit Union earlier this week, the two sides were "not close to settlement at this time."

While discussions were continuing yesterday, Mr Pederick Dunikoski, company president, said that it still intended to go ahead with the reopening as planned.

Greyhound has already conducted a vigorous advertising campaign to try to win public sympathy in its attempt to reduce wages in the company, and is aiming to woo passengers with special half price fares for most days up to December 15.

It also claims that a significant number of Greyhound employees a have either returned to work already or indicated that they will cross the picket lines today.

It expects to start up again today with a partial service employing 1,600 of the present workforce along with 1,300 new hirings.

The strike was called over a package of wage and benefit reductions which could amount to about 30 per cent of average salaries in the company.

WORLD TRADE NEWS

Japan turns to W. Europe for diesel sales

BY IAN RODGER

SALES OF Japanese diesel engines in Western Europe rose by more than 50 per cent from 1980 to 1982, to 15,100 units, according to a study* by Planning Research and Systems, a London consulting group.

This represented only a tiny portion of the total European market—European diesel manufacturers produced more than 3m u nits last year — but Mr Michael Smith, author of the study, said the figures showed the Japanese were now turning their attention to the major European markets for diesels.

Until 1980, the Japanese producers had concentrated on exporting engines well below 50 horsepower. But by last year, more than 40 per cent of the shipments to Europe were above 50 hp, supplied for use in industrial, agricultural and construction equipment and power generating sets.

So far, the Japanese, led by Isuzu and Mitsubishi Heavy Industries, have made the most headway in Scandinavia and France, and are building up markets in Britain and West Germany.

Last year, for example, Hyster chose Isuzu and Mazda engines for its new range of fork lift trucks being manufactured at Craigavon in Northern Ireland.

Mr Smith said Japanese penetration of European markets would increase, but not as easily as in some other product areas. Competition was fierce, with the European industry leaders, Perkins Engines of Britain and Deutz of West Germany, showing considerable determination to hold on to their markets.

Meanwhile, other manufacturers which normally make engines mainly for their own use, such as Ford and John Deere, were becoming more active in loose engine markets to compensate for lower internal demand.

"I think the Japanese are all impressed now at how tough things are," Mr Smith said, "A year ago they were offering silly prices. Now they are talking more realistic prices."

His study shows that Japan exported a total of 262,500 diesels last year, 28 per cent fewer than in 1980. Apart from Western Europe, the only market area to show any growth was North America, where sales are still mainly of very small engines.

* *The Japanese Presence in World Engine Markets 1983, Planning Research & Systems Ltd, 24 Old Bond Street, London W1X 3DA.*

Comecon cuts western technology imports

BY LESLIE COLITT IN BERLIN

COMECON COUNTRIES have been forced to reduce their imports of western technology in favour of buying products to feed their populations and spare parts and primary products to maintain industrial output.

Imports by the seven European Comecon members of machinery and equipment from OECD countries fell from 36 per cent of their total imports from the West in 1975 to 24 per cent in 1981, according to the German Institute of Economic Research (DIW).

In an analysis of Comecon trade, DIW noted that the importance of western technology imports is frequently over-estimated.

DIW said that agricultural products made up only 10 per cent of Comecon's imports in 1974 compared with 27 per cent in 1981. Bulgaria and Hungary were the sole Comecon countries able to provide a better diet for their population without spending a growing percentage of scarce hard currency on food product.

The analysis showed that while the Soviet Union's trade with the West rose from 24.3 per cent of its total in 1970 to 33.7 per cent in 1982, the West's share in the trade of the six small East European Comecon members fell, from 27.2 per cent in 1970 to 22.4 per cent in 1982.

This was the result of Eastern Europe's growing indebtedness compared with the Soviet Union which was able to finance its imports by boosting energy exports. Moscow's terms of trade with OECD improved by more than 152 per cent from 1970 to 1981.

Thus, Soviet trade with OECD now makes up 60 per cent of total East-West trade compared with only 36 per cent in 1970. The Soviet share of OECD's total trade rose from 1.2 per cent in 1970 to nearly 2 per cent in 1981. By contrast the share of OECD trade by the six East European Comecon members fell from 2 per cent in 1970 to 1.5 per cent in 1981.

DIW concluded that the economic inter-dependence between Eastern and Western Europe which was heralded in the mid-1970s did not materialise. Comecon's intensification of trade with the West in the first half of the 1970s must be regarded as "an episode" according to the German institute.

EAST-WEST trade is now set for "modest growth" after the "severe hammering" it took for political and economic reasons in 1981-82, according to a special report published by the Economist Intelligence Unit (EIU), David Buchan writes.

However, western companies will have to convince Comecon planners that their goods will improve Eastern export competitiveness, because the era of import led-growth in the Soviet bloc is over, the EIU report by Dr Daniel Franklin warns.

The EIU forecasts reduced Soviet earnings from energy exports, partly because of lower Soviet domestic oil output and partly because West European demand for Soviet gas, through the new trans-Siberian pipeline, will be less than anticipated. The impact of this on Soviet hard currency revenues should be offset by lower grain imports, in the range of 15-25m tonnes a year in 1985-90, compared to more than 30m tonnes in the past four years.

The prospects for East-West Trade, EIU, London, £55.

Swiss group wins Nigerian hotel contract

BY ANDREW GOWERS, RECENTLY IN LAGOS

APROFIM, THE Geneva-based construction group which is already working on two major projects in Nigeria, has won a contract worth N110m (£97m) to build four hotels and six market areas in the northern state of Kaduna. The total value of the deal will probably rise to N190m under a further contract for a rural electrification scheme in the state, which is expected to be signed in Kaduna this week.

Mr Ben Devino, a director of Aprofim's Nigerian subsidiary, said in Lagos this week that the deal covered two hotels of 200 rooms each in Kaduna and Katsina, costing N26m and N19.5m respectively, and two 75-room motels in Funtua and Kafanchan, at a total cost of N10.5m.

The six markets, located in—among other places—Kaduna, Katsina, Zaria and Daura, will cover about 5,000 sq metres each containing room for about 1,000 stalls, a mosque and a police station.

Finance for the projects has not yet been finalised, but Mr Devino said its structure would probably resemble the shape of other Aprofim deals, with 75 per cent of the funds provided offshore and the remaining 25 per cent in Naira.

Of the offshore funds, between 60 and 70 per cent will probably be provided as buyer credit by government credit export agencies—Aprofim has worked in the past with Britain's Export Credits Guarantee Department (ECGD) and France's Coface—and the rest made up with a federally-guaranteed Euromarket loan and funds from other sources.

The involvement of European export credit agencies implies that companies from their respective countries will play a prominent role in the construction, although Aprofim executives did not give details of any sub-contracting plans.

Swiss, U.S. talks on aviation pact adjourn

BY ANTHONY McDERMOTT IN GENEVA

NEGOTIATIONS between U.S. and Swiss civil aviation officials to obtain a better balance of commercial flights and more flexible tariff rates between the two countries' adjourned without success in Berne after three days of talks.

The two sides are to meet again on January 15 in Washington.

One Swiss delegate said the negotiations had been extremely tense.

The U.S. wants a revision of the 1945 aviation agreement with Switzerland and is specifically seeking a more even share of the transatlantic market which the U.S. claims is almost completely monopolised by Swissair. Swissair acknowledges a share of between 80 and 90 per cent while the U.S. maintains it is 92 per cent.

International airport at Riyadh set to open

BY LYNTON McLAIN IN RIYADH

SAUDI ARABIA's new $3.2bn international airport at Riyadh, one of the largest and most expensive ever built anywhere, is expected to open to commercial traffic on December 5.

The target was announced yesterday after the dedication of the King Khaled International Airport by the reigning monarch, King Fahd, on the desert site 22 miles north of the capital. The airport will replace the existing Riyadh airport, which is in the path of the city's planned development.

Two of the four public passenger terminals are still to be completed. The two operational terminals are for the exclusive use at the moment of Saudia, the Saudi Arabian national airline, for domestic and international flights.

The third in a series of public announcements.

The truth about Privatising British Telecom.

The privatising of British Telecom has stirred up political controversy. Leaving the political issue aside, there is now an urgent need to clarify the points below in the interests of truth and the customer.

Q. Is it a case of public service versus private profit?

A. No. In a competitive world, profit comes only from giving customers what they want, efficiently. The drive for profit, therefore, must be good for the customer.
As a Public Limited Company, with innovative technical and human resources and freed from Government control, British Telecom must be encouraged to become a major force in tomorrow's world of telecommunications. Anything less will be bad for British industry and the nation.

Q. Can foreign shareholders take control of British Telecom?

A. No. There will be a strict ceiling on the shareholding of any individual or group of individual shareholders, even within this country. And the Government will hold the largest number of shares. Even a UK takeover, let alone a foreign takeover, will be impossible.
Many good opportunities for business growth lie in overseas markets. If shares are quoted on foreign stock exchanges it will aid our prospects of competing in those countries.

Q. Will rural services be reduced?

A. No. Our policy of service and improvement in rural areas is being, and will continue to be, vigorously pursued. In any case the new Telecommunications Licence will guarantee them.

Q. Will residential phone charges shoot up?

A. No. We shall continue our existing successful policy of price restraint. In addition, the Licence will provide a specific assurance for customers in this respect relating increases in charges to the retail price index.

Q. Will emergency services be cut back?

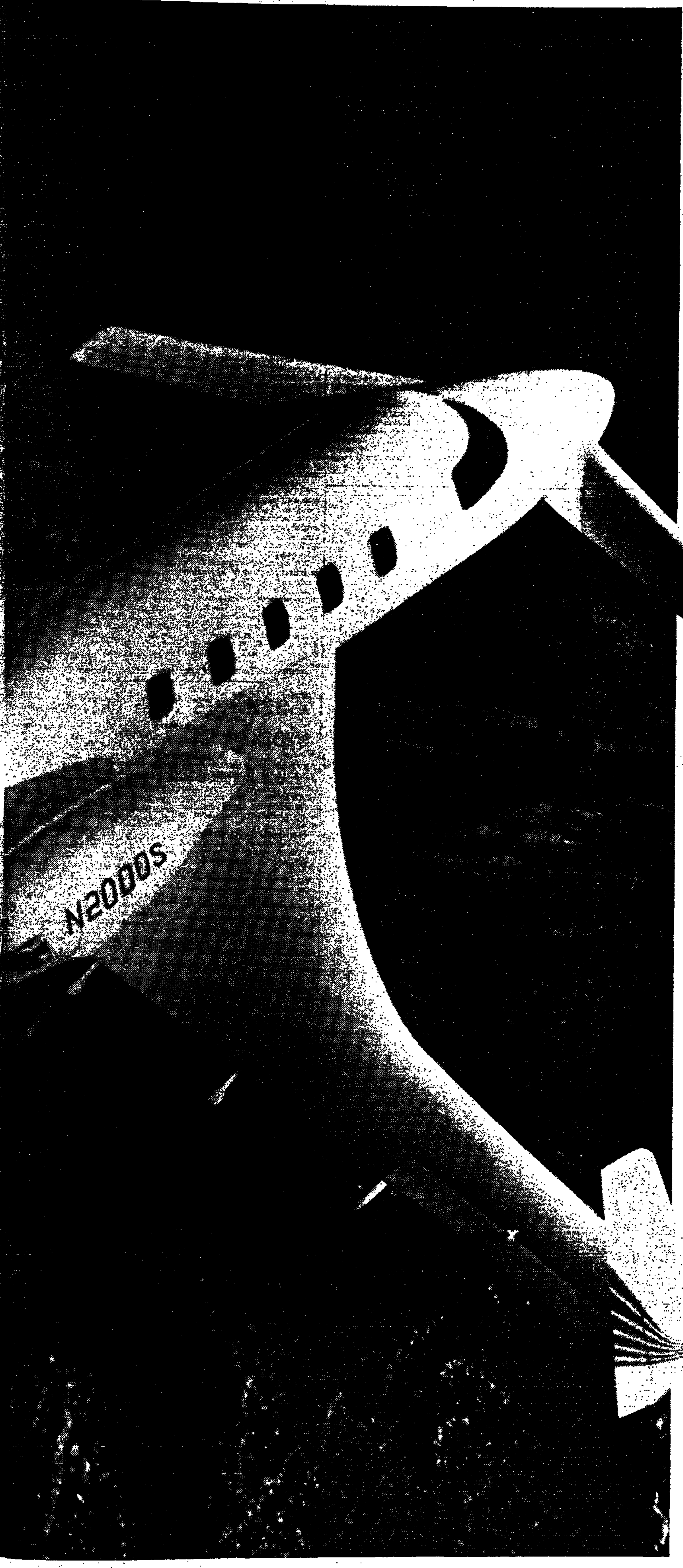
A. No. We are strongly committed to them. Their continuance—however unprofitable—is guaranteed by the Licence.

Q. Will telephone kiosks be phased out?

A. No. Their provision is safeguarded even in unprofitable areas, except against strictly defined criteria in the Licence.

This is the first time in British history that the provision of many telecommunications services will be required by law—a far stronger safeguard than has previously existed.
British Telecom is already one of the most technologically advanced telecommunications systems in the world. It has every intention of going on getting better and adapting to compete in the world market-place.
We shall always have the interests of you, our customer, at the forefront of our thinking.

British TELECOM **Keeping the customer informed.**



Four times in the history of aviation, one company has signed the sky with an aircraft so distinctive it set the standard for its generation. It has happened again. The men and women of Beechcraft proudly present:

Starship 1

This is the airplane the Beechcraft King Air made possible.

Starship 1 will take its place alongside the King Air, the plane that created the role. King Air is the airplane selected two-to-one *over all other turboprops put together,* by the CEO's of America's largest corporations. King Air delivers daily the reliability, efficiency and comfort it first promised to corporate aircraft operators. Starship 1 will continue to deliver on that promise.

Starship 1 will fly faster than 400 mph. (644 km/h.), higher than 40,000 feet (12,192 m.). It will operate at significantly greater fuel economy than current general aviation turboprops or business jets. Its engines are of the PT6A family which has been proven in Beechcraft service.

It will be constructed of composite material, utterly smooth, incredibly strong, reliable. Beechcraft has been working with composites for years in existing Beechcraft models. Starship 1 will advance the art.

It will carry up to 10 passengers in stately comfort — this is a promise from the designers of King Air

Where it all began. More than half of all corporate turboprops are Beechcraft King Airs.

Beechcraft classics. All are in the Smithsonian Institution.

interiors, the comfort standard by which business aircraft are measured.

Make no mistake, Beechcraft Starship 1 is new, very new.* It has a lot of miles to fly before its designers and test pilots sign off on it.

Starship 1 says a lot about the strength and future of Beechcraft; but it says even more about the King Airs of today that fly alongside it on their well-defined missions. Those executives who command a King Air command the engineering expertise that has made the Starship 1 possible.

The first Starship 1 flew August 29, 1983 and was demonstrated for the NBAA in Dallas on October 5.

If you would like continuing reports on Starship 1 and the latest King Air developments, please contact your nearest Beech distributor or write Beech Aircraft Corporation, International Division, Wichita, Kansas 67201, USA. **Telex: 041-7422**

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*Starship 1 is actually a *jetfan* — a new term indicating the convergence of jetprop, propfan and fanjet technology. Starship 1 employs a 4-bladed jetfan with high disc-loading. Result: turboprop fuel efficiency at near-jet speeds.

UK NEWS

Public spending must be curbed, warns Governor

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

MR ROBIN Leigh-Pemberton, Governor of the Bank of England, warned yesterday that a strong and continued attack on the growth of public spending would be needed if the Government was to attain its objectives for public borrowing.

The Governor, speaking on the eve of the Chancellor of the Exchequer's annual autumn statement on public spending plans, warned local authorities, in particular, of the need to curb their regular overshooting of current expenditure targets.

Mr Leigh Pemberton gave more warm-hearted approval to the Government's tight financial strategy than has sometimes been evident in recent public statements from the Bank of England.

He also indicated approval for the more "radical" policies being pressed by some members of the Cabinet who would like to make fundamental changes in the pattern of public spending.

The Governor said: "As economic activity recovers, it is important to leave room for the expansion of the wealth-producing private sector if we are to achieve balanced, sustainable growth. Public spending must be restrained, and that means arresting a tide that has run one way for a very long time."

Since 1957, central and local government spending had been increasing at nearly twice the rate of total national output. In 1982, public spending absorbed 45 per cent of output, compared with 32 per cent 25 years earlier.

He accepted that "public spending fulfils vital needs" and that there were always particular cases where good arguments could be advanced for increasing spending.

Government, however, was right to conclude that the public sector's claim for an ever-growing share of national resources had to be resisted.

In particular, he said, local authorities would need to control their spending to bring it more closely into line with the Government's general economic objectives.

Mr Leigh-Pemberton was addressing a conference in London arranged by the Chartered Institute of Public Finance and Accountancy on the subject of local government after the general election.

UNIONS CANNOT STOP PRIVATISATION, SAYS MINISTER

BT priority on state sale list

BY ROBIN PAULEY

THE GOVERNMENT is determined to privatise British Telecom (BT) next autumn, giving it top priority in the list of nationalised industries to be sold off, and no amount of union resistance will stop the plans, Mr Kenneth Baker, Information Technology Minister, said yesterday.

Mr Baker confirmed the Government's determination to push ahead at a Financial Times conference in London at which several other ministers also stressed the benefits of the Government's privatisation programme, not least for employees of nationalised industries.

Mr John Moore, Treasury Financial Secretary, emphasised the improved employee motivation which could be achieved by privatising and allowing employees to have a share in their company. Mr Tom King, Employment Secretary, said that improving industrial relations and common sense on the industrial floor was the key to success in world markets.

Mr Baker insisted that British Telecom would be privatised as a single entity and that the complex work needed to sell off the majority holding next autumn was "well on target." The sale of 51 per cent of BT is expected to raise £4bn.

"The transfer of BT to the private sector provides the Government with a rare opportunity to distribute the benefits of the new telecommunications market through both the employees of BT and the British people.

"The unions are campaigning hard to prevent such a distribution, but we are determined that it will continue and our plans to sell shares will give every BT employee, pensioner and subscriber a chance to participate directly in the gains made by BT in the most dynamic growth market in the world." Mr Baker said.

Mr Moore is spearheading the Treasury campaign for disposal of national assets.

Economic Viewpoint, Page 15;
Conference report, Page 28

Steel plan likely to 'suck in imports'

BY PETER BRUCE

GOVERNMENT plans to rationalise the British engineering steels sector and combine the operations of the British Steel Corporation and GKN under the Phoenix Two scheme could lead to a substantial rise in import penetration, union leaders said yesterday.

Launching a study on the Phoenix proposals, details of which have yet to be published, Mr Bill Sirs, General Secretary of the Iron and Steel Trades Confederation (ISTC), said that "if a monopoly is created then imports will be sucked in as UK manufacturers seek a second source of supply. It always happens."

At least one major motor manufacturer and a number of drop forgers were reported to be seeking supplies abroad in anticipation of Phoenix Two going ahead. Engineering steels are produced at at least six works in Britain.

The ISTC report says imports took 31 per cent of the UK hot rolled bar market last year. It says, however, that UK demand, 794,000 tonnes in 1982, had bottomed out and forecast consumption of between 800,000 tonnes and 830,000 tonnes this year. Mr Sirs claimed that Mr Norman Tebbit, Trade and Industry Secretary, had already decided not to put the merger to the monopolies commission.

ISTC bases its opposition to the plan, under which some existing plant, including Hadfields, is likely to close with the rest taken at least partly into the private sector, on hopes that this year's recovery in the motor industry will be sustained.

Elf will keep stake in Alwyn oil field

By Paul Betts in Paris

ELF AQUITAINE, the French state-controlled oil company, has decided to keep its entire 66 per cent interest in the large oil field of Alwyn in the UK sector of the North Sea.

The oil group said last night that M Michel Pecquer, its new chairman, had confirmed to British Government energy officials on Tuesday that Elf intended to maintain its two-thirds interest in the field. Alwyn has estimated recoverable reserves of 200m barrels of crude and 27bn cubic metres of gas.

Elf indicated at the end of last year that it was considering selling part of its interest in Alwyn, in large measure because of the unfavourable UK fiscal regime for North Sea oil production. It then envisaged shedding about 20 per cent of its stake. The other one-third interest is held by the French oil group Total.

Subsequent changes in UK fiscal policy for the North Sea caused Elf to reconsider. Last night, Elf said it considered it was viable for the company to maintain its interest.

Elf confirmed that development of the field, which would cost a total of £1.5bn over its life, would go ahead on schedule.

Thatcher warned of job risks in not backing new Airbus

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SUBSTANTIAL long-term unemployment could arise in the UK aerospace industry if Britain did not participate in the development of the proposed A-320 150-seat version of the European Airbus, Mrs Margaret Thatcher, Prime Minister, was told yesterday by Sir Austin Pearce, chairman of British Aerospace (BAe).

The long-term future of civil airliner production could also be jeopardised, he said. Sir Austin and Sir Raymond Lygo, managing director, met Mrs Thatcher at 10 Downing Street for a private briefing.

She was told that repayable launch aid of between £300m and £400m would be needed over several years to enable BAe to join the A-320 venture.

BAe already builds wings for the bigger existing A-300 and A-310 Airbuses, having some 20 per cent of the work on those ventures, in return for its 20 per cent cash stake in the Airbus Industrie consortium.

For the A-320, BAe's share of the work would rise to about 26 per cent. This is because it would not only build the main wing section, but also the flaps and other moving parts of the wings. The work shares of other partners in the venture would also be adjusted.

Messerschmitt-Bolkow-Blohm and VFW of West Germany, which at present have a joint 37.9 per cent share, would get 37 per cent of the A-320. Aerospatiale of France, also with 37.9 per cent, would get 34 per cent, while CASA of Spain would get 3 per cent, against the present 4.2 per cent.

Total cost of developing the A-320 is estimated at about $2bn. BAe needs launch aid for its share of the A-320 because it is already spending heavily with its own cash on the smaller, four-engined BAe-146 regional Airliner programme.

BAe admits that even if the UK withdrew from the A-320 venture, there would still be work on the existing A-300 and A-310 Airbus programmes.

But the rest of Europe would turn elsewhere to get the A-320 started, and the UK could find itself progressively frozen out of large civil airliner manufacture. The result would be that by the end of this decade or in the early 1990s, it would be losing orders and employment.

On the other hand, any government launch aid for the A-320 would be repaid from a levy on each aircraft sold, and it is argued that the Government would make profits in the long term.

The overall market for A-320-type 150 seat aircraft is set at several thousand, through to the end of this century (one estimate puts it at more than 4,000).

Even if Airbus Industrie captured only one-quarter to one-third of that market, against competition from Boeing and McDonnell Douglas of the U.S., it would still sell more than 1,000 aircraft. This number would cover the break-even point on the venture.

Sir Austin and Sir Raymond are believed to have stressed strongly to the Prime Minister that countries such as Canada, Australia and Japan were ready to move in and share in the A-320 even if the UK did not.

Mr Bernard Lathière, president of Airbus Industrie, has said that the A-320 is "oversubscribed" with prospective partners. The French Government has already allocated FFr 400m in its 1984 budget to cover work on the A-320.

A government decision on launch aid is expected towards the end of this year. At the same time, the Government is expected to decide on launch aid of about £113m for the new Rolls-Royce/Pratt & Whitney V-2500 engine, which could be used in the A-320.

So far, three airlines have placed orders and options for a total of 80 aircraft. Air France has placed an order for 25 with an option on a further 25; Air Inter, the French internal airline, has ordered 10 with a further 10 on option, while British Caledonian Airways has ordered seven with three on option.

Earnings rise holds steady at 7¾%

BY ROBIN PAULEY

INCREASING OVERTIME as the economy picks up after the recession is helping those in work to continue to improve their living standards as earnings stay ahead of prices.

Figures published by the Employment Department yesterday show that the seasonally adjusted underlying rate of increase in earnings in the year to September was 7¾ per cent, the same as August. The figures have hovered between 8 per cent and 7½ per cent throughout this year, while the retail price index and tax and price index have both fallen to substantially lower levels.

Employees in manufacturing industry, in particular, are benefiting from extra overtime and their earnings increased by 9¼ per cent in the year to September.

Overtime in manufacturing industry in September was 10.8m hours a week, the highest level since August 1980 and some 400,000 hours a week more than in August and 750,000 up on July. Overtime is on average 10 per cent higher now that it was a year ago.

While this reflects a higher level of activity within the economy, it does provide a source of anxiety for the Government.

This is because the level of average earnings remains persistently far ahead of price inflation and seems set to continue to do so unless much lower pay settlements can be achieved in the coming pay negotiating round.

Since August 1979, average earnings have outstripped inflation by 15 per cent. In the last pay round earnings rose by 4 per cent more than inflation. This improvement in real living standards is one of the major threats to the reappearance of strong inflationary pressures. Mr Tom King, Employment Secretary, said yesterday: "We must not relax and start once again paying ourselves more than we earn."

The Confederation of British Industry yesterday said its own analysis of pay showed an average settlement of 5.3 per cent in the manufacturing sector in the third quarter compared with 5.6 per cent in the second quarter and 5.7 per cent in the third quarter. About 85 per cent of settlements in the past three months were between 3 per cent and 7 per cent.

Talks on Union Bill

THE GOVERNMENT and the Trades Union Congress (TUC), are holding private talks on unions' political contributions, in an effort to reach voluntary agreement which could prevent the issue from being drawn into the Trade Union Bill.

The informal talks mark a new stage in the improving relationship between the TUC and the Government on its labour legislation — though some union leaders are unhappy that the unions are conceding too much while getting insufficient benefit.

Prospects of a deal seemed neutral after details of the first meeting emerged. However, some union leaders, unhappy at talking to a Government they have for long attacked, were insistent that the agenda for discussion would have to be widened markedly if the talks were to continue usefully.

● IRLANDUS, an Ulster manufacturer of printed circuit boards which was put into receivership in June, may be acquired by a U.S. electronics group which has been negotiating for the company's assets. The U.S. group, which has not been named, has also had talks about government aid to support the Irlandus operation.

● TESCO, the retail grocery chain, has named a new chairman to succeed Sir Leslie Porter who retires next year. He is Mr Ian Maclaurin, at present managing director. Tesco yesterday reported sharply increased interim pre-tax profits of £25m, up 24.8 per cent.

● EUROPEAN Commission is studying the desirability of maintaining zero VAT rating for commercial and industrial property development in Britain. Building employers gave a warning yesterday that the industry's taxes would rise substantially if the zero rating were lifted.

● MR NORMAN Tebbit, Trade and Industry Secretary, made clear in the House of Commons yesterday that he is considering a major shakeup in regional aid policy in a White Paper to be published before Christmas. Mr Tebbit said much of the regional aid programme — worth £900m this year — had been misdirected. He also questioned the use of development and special development areas, which he implied could do great damage to nearby competing regions.

● TEXACO yesterday announced the go-ahead for its new Highlander Field — the company's third large North Sea venture this autumn. Texaco said it would develop Highlander as a satellite from its Tartan platform eight miles away, using techniques which would extend the frontiers of marginal field exploitation. The field's reserves are put at 30m barrels.

● GIRO BANK, operated through the Post Office network, is a long-term candidate for privatisation, Mr Kenneth Baker, the Minister for Information Technology, confirmed in the House of Commons yesterday.

Mr Baker said there were no immediate plans for privatisation, but the Government's policy was to reduce the size and scope of the public sector. Options for privatisation were kept under review, and Giro was no exception.

TECHNOLOGY

EDITED BY ALAN CANE

SWEDISH BANK MOVES TOWARDS COMPLETE AUTOMATION OF ITS BUSINESS ACTIVITIES

'Techknowledge'—a Scandinavian asset

BY ELAINE WILLIAMS

SE BANKEN, one of Sweden's largest commercial banks, is moving towards full automation of all its banking activities. Last month the bank announced a SKr 150m order for the next generation of front office terminals.

A total of 1,500 terminals, to be supplied by Ericsson Information Systems, will be installed from April next year in all the bank's 365 branches in the country. Ericsson, the Swedish electronics group, won the order against stiff competition from Nixdorf, which already has front office equipment in the bank, Philips and IBM.

They will be linked to the bank's existing extensive computer network and used to provide more extensive services such as investment advice, loan calculations, and tax and financial analysis.

The bank will even be able to provide computer programs to be run on at least 20 different types of microcomputer for customers' financial problems. Eventually all these small machines will be able to communicate directly with the bank's main computer system.

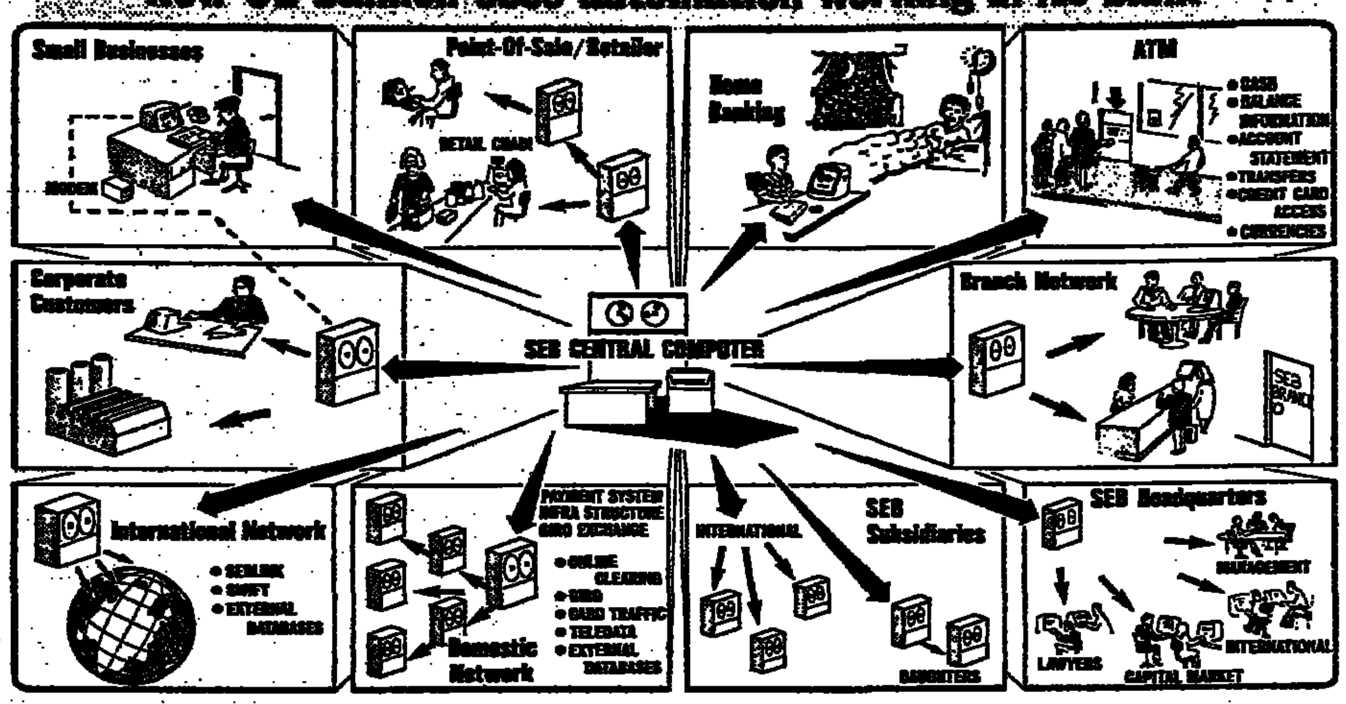
The bank already offers this in a limited way on 18 different microcomputers. At 60 of its branches, the staff are familiar with microcomputers and are able to help corporate customers.

Using a communications network it will allow branches in remote parts of the country contact financial specialists based at the headquarters. This will dramatically speed up the flow of information and advice out to the branches.

Because of increasing competition, the banks will also have to increasingly sell their knowledge and expertise and provide more specialist services rather than the more traditional business run by banks. This is very much the philosophy of Thomas Gluck who heads up the data department at SE Banken. He has invented the word "techknowledge" to describe the union of banking expertise and computer techniques.

Mr Gluck, who is deemed a visionary when it comes to banking technology in Sweden, believes that the bank has to use technology to remain competitive and be more flexible.

How SE Banken sees automation working in its bank



Mr Gluck says that banks are heading towards an all purpose terminal which forms one interface with all the banking services and transactions. The simpler money transactions will be automated while bank staff can use terminals to carry out customer inquiries and more complex business transactions.

He explained the benefits of the SE Banken investment: "The terminals will be used to provide direct customer service. They will be linked to a data base so that banking staff can obtain information on those customers which need the most attention."

Communicate

They will also allow branches out in the country to communicate more easily with experts at the headquarters. This means that a particular branch with no international dealing can seek help from those at the headquarters which specialise in foreign deals. Corporate customers who need tax advice, for example, can also consult the bank's head office via computer terminals.

The bank already offers a specialist service to lawyers and hopes to expand it to other disciplines.

Swedish banks are probably the most advanced in terms of automation in Europe. The reason for their ability to introduce electronic systems is due to the infrastructure of the banking system in the country. Banks agreed many years ago to conform to a standard cheque system. This means that it is possible to easily identify every customer's bank account in different banks. All the banks are open to all customers so that there are no extra charges to be incurred if an account holder makes a transaction at a branch of another bank.

The third major factor is that the banks use cheque truncation This uses electronic methods to cut down the amount of paperwork needed to process the cheque. All the commercial banks including the three largest, Handelsbanken, PK Bankon and SE Banken use real time on line computing.

Such co-operation has lead to all the commercial banks sharing the automatic teller machines. These are so expensive that it is good business to pool this resource. There are about 1,000 ATMs in the country, these being split equally between commercial and savings banks.

The benefits of automation for SE Banken, for example, has been to control operating costs and to offer a wide range of services to its business and private customers. It now operates a range of corporate banking systems which compete with those offered by Citibank, for example. Over the past 10 years, the number of business transactions carried out by the bank has increased by 80 per cent but its staff has only increased by 6 per cent in the same period.

Efficient

Mr Gluck says that Swedish banks are four times more efficient than British banks simply because of the way in which technology is used. About 11 per cent of SE Banken's operating costs are related to computer and automation.

SE Banken's computer system in Stockholm includes two large mainframe IBM 3081 and three IBM 3705 machines which handle communications in Stockholm, Gothenburg and Malmo out to the branch computers and front office terminals

Most of the banks in Sweden have experimented with home banking. SE Banken has been running a project for the past six months but Mr Gluck says that there is very little demand for home banking.

Similarly, an on-line electronic point of sale system has been discussed at length by banks and retailers. All have expressed enthusiasm for the system but no one wants to pay for it. Mr Gluck said that more than 90 per cent of all transactions in Sweden are still carried out with cash and it was difficult to beat in terms of speed and convenience.

LOW COST COMPUTER PLOTTER

Graphic new use for the linear motor

BY GEOFFREY CHARLISH

FEW ENGINEERS, and few users of computer printers and plotters, would disagree that if the mechanical portions of such machines could be eliminated, high levels of reliability and a long working life could be achieved.

Could, for example, a plotter be designed with no rotating parts, without incurring high costs? A young engineer called Hugh-Peter Kelly believed that the linear motor principle—apparently an expensive proposition—could be applied cheaply to drive a plotter pen in the customary X and Y axes, and that it could be done quite cheaply.

Kelly and his colleague Bob Robinson also believed they could see a niche in the plotter market for a low cost machine that could be deployed by personal computer users to produce graphics on paper for business purposes.

Armed with some basic ideas, Kelly started to look for money and in a relatively short time had obtained £161,000 from the Department of Trade and Industry, National Westminster Bank and British Technology Group. A new company was set up last year called Linear Graphics at Rayleigh in Essex, and the team got down to work.

The linear motor is an electric motor with the stator (the outside, stationary part) "unwound" and laid out flat—rather like snipping a paper ring with scissors to make a flat strip. The rotor, as well as going round, then also moves in a straight line along what amounts to a line of flat stators placed end to end to form a track. The idea is about to come into fruition in Germany and Japan to drive "railway" trains.

The Linear Graphics drive is electromechanically elegant. At first sight it appears to be just a thick cylindrical collar four inches long sliding on a brass tube of about one inch diameter. Embedded in the collar and therefore embracing the brass tube are a number of windings. When energised in a particular way, these produce a magnetic field which interacts with magnet systems contained inside the guide tube to produce a linear thrust.

The inside surface of the collar is made from a special bearing plastic and the tube is an easy sliding fit in the collar.

The collar knows where it is on the tube by virtue of an optical sensing strip that runs parallel to the tube and a short distance from it. It is a strip about 0.25 inch wide on which are etched transverse lines at 480 to the inch.

A sensor carried on the collar "reads" and counts how many of the lines it has passed from one end, giving precise positional data.

With a drive system deployed on both X and Y axes, a plotting pen can be positioned accurately to any point on the paper below.

The company has now produced an A4 plotter called Beaver with only four moving parts that is accurate to 0.2mm over the whole 190 x 272mm plotting area, is almost silent and costs only £449. Cost reduction was also assisted by the use of standard metal extrusions and other items, eliminating specially machined parts or jigs.

The machine is Centronics or RS232 compatible, allowing it to be used with almost any computer. By purchasing special "Interceptor" software discs for BBC or Apple computer, those machines can be run straight into the plotter.

The software intercepts graphics commands for plotting and drawing from Basic and routes them either to the screen or plotter. Thus, graphics programs already written for these micros can run with Beaver with little or no modification.

Kelly has already lifted his initial 2000/year production plan and the 14 strong company is about to take a factory at Rochford, near Rayleigh.

It may have to seek further backing for expansion, although judging by the product, that should not be too difficult to find. More on 0268 741322.

Safety

Monosilane study proposed

A STUDY to identify safe ways of handling an important chemical used in manufacturing integrated circuits is being proposed by Battelle, the research organisation, in the U.S.

The chemical, monosilane—is used in the manufacture of pure silicon and for laying down a coating of silicon dioxide on silicon wafers. It is also used in the aircraft industry for engine combustion.

It is potentially a very hazardous chemical and under some conditions it reacts spontaneously with air and ignites.

Analysis

Basic blood tester

BASIC BLOOD tests can now be performed immediately on Eastman Kodak's new desktop analyser, giving patients results before they leave the doctor.

A single drop of blood is all that is needed to perform any one of seven tests.

The basic Ektachem DT60 costs $6,000. An optional attachment called the DTE module also analyses the blood sample for the two electrolytes sodium and potassium for an extra $7,500. Kodak said that it will add further tests for Bilirubin and Haemaglobin levels next.

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

UK comeback sought by an old favourite

Lisa Wood on the return of Red Label whisky

JOHNNIE came marching home today.

After six years' absence Distillers is re-introducing its Johnnie Walker Red Label whisky into the UK.

Red Label once sold over a million cases a year in Britain and accounted, at its peak, for a 12 per cent share of the total UK market. Hence the nostalgia that will be reflected in some of the £1.5m advertising and promotional campaign aimed at putting the product back on the shelves of Britain's supermarkets and pubs.

The campaign has the aura of a hero returned. "Who's back in Britain?" and "Who'll be home for Christmas?" is the message Johnnie Walker will be busily putting across in the next month in its initial high impact *black and white* newspaper advertising.

Distillers took Red Label off the UK market in 1977 after an EEC ruling that its dual pricing system for domestic sales and exports violated the Rome Treaty. The UK market, it was decided, would have to be sacrificed in order to protect the higher volume—and higher prices—on the *Continent*.

Today, for example, Red Label accounts for 14.6 per cent of the total Scotch whisky annual exports—accounting for some 6.4m cases.

However, over the years *Johnnie Walker has had to* watch other companies taking its share of the domestic market, despite the sound performance of its up-market Black Label. Johnnie Walker has given Black Label a very distinctive image, partly to protect Red Label. Distillers has also watched its group market share in the UK fall from an estimated *37 per cent in 1977 to a current* 20 per cent; Claymore, strongly promoted after Red Label's demise, only enjoys about 8 per cent of the market. Arthur Bell's Bells whisky by contrast, has now some 20-22 per cent of the market.

So a satisfactory conclusion to the protracted discussions with the Commission over pricing could prove to be somewhat of a godsend to Distillers.

"There is a nostalgia for the brand," says *Tony Oscroft*, Johnnie Walker's marketing services director. "One feels there is real interest. Public reaction has been very positive; a poll shows that 40 per cent *of consumers say they would* like to buy Red Label again. The trade recognises it will be a great opportunity and it would be a pity to lose out."

SHARE OF THE UK BLENDED SCOTCH WHISKY MARKET

	1977 (%)	1982 (%)
Bell's	20	22
Teachers	14	15
Haig	·10	6
Red Label	9	0
Famous Grouse	4	9
Claymore	0	7
Grants	3	6
White & Mackay's	3	5
White Horse	4	4
Mackinlay's	2	2
Real Mackenzie	1	2
Johnnie Walker Black Label	2	2
Long John	1	1
Own label	0	8
Others	27	11

Just how many people continue to buy Red Label after *their first trip down memory* lane is the great imponderable at a time when whisky sales continue to fall — down by an estimated 5 per cent this year on last.

The issue is further clouded *by the fact that* Johnnie Walker is re-positioning its product in the price scale. Six years ago Red Label was among the middle-priced whiskies. Since then the market has changed; there has been a polarisation of the blended market into premium-priced "standard" products, such as Bell's and the Famous Grouse (from Highland Distillers), and the development of cheaper brands and own-labels. Distillers' Claymore, for example, tends towards the cheaper end of the market.

Red Label, however, will be pitched at the more expensive end of the standard blended whiskies, priced at about £7.35 compared with the Famous Grouse at about £7.40. It is for this reason that Ogilvy and Mather, the agency handling the account, is placing the *advertising in the mass*-circulation newspapers. (The Times, The Guardian and the Financial Times are more the territory for Black Label and malt whisky drinkers.) Red Label will be priced at about £7.35 compared with The Famous Grouse at about £7.40. This pricing policy is intended to combat the drop in sales of middle-priced whiskies; growth, such as there is, has been at the top and bottom of the price range. It will also mean that Red Label will be sold in the UK at a price consistent with that in international markets. The re-entry into the domestic market was announced in *September after Distillers* and the EEC had agreed on the new pricing system. Scepticism abounded in the trade after Johnnie Walker said it would have Red Label in the shops for the crucial Christmas period.

Two conversations with Jimmy Duggin, wines and spirits director of Tesco, which *used to be the biggest single* retail outlet for Red Label, illustrate how quickly the trade has responded.

For, on the day the announcement was made, Duggin said he had already placed his Christmas orders and it was too late to buy Red Label. "We have already gone to bed for Christmas," he warned.

Three weeks later, a few hours after watching a promotion for Red Label, Duggin *said: "We will find a slot for* Red Label and will be stocking it this Christmas in the light of the promotion and support the product is being given."

Johnnie Walker is reluctant to say just what its sales target is for the year ended March 1984. A recent report from stockbrokers, Wood Mackenzie, suggested sales of up to 300,000 cases may be achieved. Tony Oscroft smiles when that amount is quoted and says: "*Our estimates were more* cautious."

Volume, says Oscroft, is not the number one objective: rather it is a long term building of the brand.

The trade has certainly not been lured by special financial deals. "We have made it clear to all customers that Johnnie Walker will not be providing *resources for price cutting*," says Tony Oscroft.

Promotional support will be strong not only in the media but there will also be, for example, optics for public houses and "dumper bins" for supermarkets. The initial advertising campaign will be followed up after Christmas, in the run-up to the budget, with an "image creating" campaign.

Special attention will be paid to young people and women; the first category will probably not remember Red Label except that it was the brand "that Dad bought" and women tend not to be established whisky drinkers.

From whom Red Label will take a share, in a market that has stagnated in recent years, is one of the great topics of *conversation for those in the* whisky industry.

Philip Augar, of Wood Mackenzie, says: "Our feeling is that Red Label could expand the premium-priced category *with a further polarisation of* the market. Those in the middle ground will be further squeezed."

But if this occurs some of Distillers' own brands, such as White Horse, Haig and High*land Queen, could suffer along*side other brands such as Teacher's (Allied Lyons).

Philip Augar adds: "Distillers is re-organising its UK sales force as from April next year with salesmen promoting all the group's brands; at present groups within the company sell their own products.

"Having Red Label on the *portfolio will give the sales* force a sharper focus to its marketing effort."

A selective type of advertiser

AFTER THE fitted kitchen, the fitted bedroom. That at least is the ambition of *Mr Jim Riordan of Sharps Bedroom* Design, who heads a company which has raised its sales from £650,000 in 1979 to £16m this year and become one of the largest, but oddly most invisible, advertisers in local newspapers, with a budget of *£1.5m*.

Sharps does not employ an advertising agency. It buys advertising through independent media buyers and uses different creative consultancies for its local advertisements, for national Press, *for* TV, for radio. It claims that its experience enables it to predict the number of shoppers it will attract with a given volume of advertising expenditure.

The company sites its showrooms on cheap land, using the money it saves on rent and rates for advertising—its best shop *is* on an industrial estate on the outskirts of Bristol. "The advertising is not to sell the product—it is to get people into the showrooms," says Riordan. Once there the concept of a fitted bedroom does the rest—Sharps claims 60 per cent of all visitors to a showroom ask for a designer to *visit their home and 60 per cent* of these buy units, with each order averaging over £800.

Riordan claims: "We know more about the effectiveness of all the local newspapers than anyone else in the UK. Our data says that X amount of advertising will produce Y number of shoppers. There is no fixed formula: the pull of the ads varies tremendously throughout the country."

With just 2 per cent of households having fitted bedrooms potential is great. "In five years' time it will be as hard to sell a new house without a fitted bedroom as it *is* today without a kitchen," maintains Riordan. So enthusiastic is he about the idea that Sharps is now investigating Florida for a U.S. subsidiary.

Units are made at the company's five factories only when orders have been taken. Sharps, part of the Kean and Scott group, keeps itself aloof from other related subsidiary companies, such as Dolphin (which makes shower units) and Alpine Double Glazing. It is also reluctant to start making beds—"Ninety per cent *of our* customers keep the same bed," says Riordan. He speaks with a confidence generated from having doubled Sharps sales last year, which was the worst for the furniture industry since 1926.

Antony Thorncroft

AD HOC

IF REVENUE is any indication of muscle, the media independent agencies are showing signs of becoming an *increasing force in the ad in*dustry. For the first time in the movement's 13-year history two media independents—specialist agencies which deal exclusively in the buying of space and time, often in conjunction with large, full-service agencies—have broken into the top 20 agency league table.

Latest figures from MEAL (Media Expenditure Analysis Limited) for the year ending September *1983 show* Chris Ingram Associates in 18th position with billings of £24.4m and TMD at number 20 with £22m (the latter's position will have changed significantly with its recent Rothmans win estimated to be worth about £8m). Figures are based on press and television advertising at ratecard from selected publications.

●

THE PRESSURE on certain European countries to relax controls on their state television channels grows apace. Politicians in Sweden are *currently being lobbied* by large Swedish companies to allow them commercial airtime. They fear they will lose market share if multinational foreign competitors advertise on direct broadcast satellite channels.

Belgium has just relented by giving the go-ahead to commercial television for the first time from January 1984 *on the two French-speaking* of its four state channels. This will be allowed providing it is for a Belgian or foreign collective group of advertisers and only generic names are mentioned. Such restrictions on "collective" campaigns echo the experience in France, although rules were subsequently relaxed *there*.

●

LONDON Business School is introducing *next* year a new chair in Marketing and Communication. Professor Andrew Ehrenberg, Professor of Marketing at *LBS since 1970, has* been appointed to the post. The Worshipful Company of Marketors in London are seeking to endow the new chair with the aim of making the programme of work of *practical value to all British* companies involved in marketing products or financial services.

●

SOME slogans, it seems, never die and it's the lucky advertiser *indeed who* lands *one* that is so distinctive it becomes synonymous with the brand. Heineken has done it with the famous line "Refreshes the parts other beers can't reach," now in its tenth *year*. To celebrate the decade the company has produced a lavishly illustrated book called Thirsty Work, published today by Macmillan and written by the witty Peter Mayle whose words have graced this page recently. It is believed to be the first time a book has been published about a current campaign. It costs £8.95 in hardback and £5.95 in paperback.

●

STUDENTS of advertising, whether at graduate or managerial level, will find The Practice of Advertising a useful handbook to understand the machinery of the business. Though not aimed at the experienced practitioner, this compilation of *articles by a dozen or so of* the industry's leading lights, gives a working knowledge of every facet from creativity, to media research and production processes. It is published by William Heine*mann this week in paperback* at £8.95.

●

***THERE MUST be broad grins* on the faces of independent television company executives—a change from the long faces pulled earlier this year over the funding of Channel 4—at news of their record advertising revenue figures for October. A bumper £94.9m—reckoned to be the largest monthly figure so far this year—was taken by the 15 companies and Channel 4 (TV-am is not included), which is a 34.4 per cent rise on the same month last year. The figure for October 1982 was £70.6m.**

Feona McEwan

THE ARTS

Record Review

In Memoriam Glenn Gould

The sad death of Glenn Gould 13 months ago at the early age of 50 took from us one of the most original and enigmatic pianists of our time. It is tempting to add also "most widely loved": but that sort of attachment is really only accorded to artists whom the public hears and witnesses in person. Gould's playing is indeed widely known and admired, but only, during the last 15 years of his life, from a scrupulously guarded distance.

The story is told in detail in Geoffrey Payzant's book *Glenn Gould: Music and Mind*, and by the pianist himself on his record *Concert Drop Out*. In brief, in 1967, at the height of a brilliant international career, Gould announced that he intended to retire from the public stage to devote himself to making records: and true to his word, he never played in public again. His continuing fame thus rested entirely on his steady output of records (and more recently on a new involvement in video, some of whose first fruits can be seen in three programmes, two already screened, the third next Wednesday, on Channel 4)—and especially a monumental series of recordings of the major solo keyboard works of Bach.

It was a Bach record, of the Goldberg Variations, which first catapulted him to fame in 1955; and it was with a second version of the same work, recorded shortly before his death, that he made his farewell. Gould's first Goldberg was a revelation to a generation of music lovers: brilliantly incisive, uncompromising, pungently expressive without a trace of oversweetness, unconventional but the fresher for it, and even at its most quirky, deftly revealing.

Glenn Gould: original and enigmatic

The strangest quirk of all to my ears, and the only one I was never able entirely to accept, was Gould's omission of every single repeat — thus reducing the music to half its proper length. (Those who claim that the Goldberg was never intended to be performed complete cannot explain why Bach directs that the opening aria be repeated at the end, the perfect crowning of the dramatic span.) My feeling then was that this mad and wonderful Goldberg would sound twice as wonderful with all its repeats — and thus its scale, breadth and force — intact.

Two and a half decades later for his second Goldberg, Gould somewhat modified that earlier, drastic scheme. The playing is still more magnificent, and infinitely better recorded; some repeats in the contrapuntal variations are included; my only regrets concern those which are not. Hearing the first-half repeat alone of the sixth variation, for example, robs us of one of Bach's most magical repeat-devices and two whole bars of music. Gould allows us no more either of his splendid, grittily unrelenting canon at the fourth: three-quarter length, three-quarter impact. His miraculous, trumpet-blazing performances of Nos 14 and 20 cry out for the reinforcement of repetition. The whole is such a gripping and inspiring musical experience, and in every other respect a fitting memorial, that such reservations are really by the way. I wonder all the same whether Gould, had he lived, just might have returned to the Goldberg for the third time, and given it to us finally, unequivocally complete?

Another recital which Gould recorded shortly before his death includes Brahms's four Ballades op. 10 — unjustly neglected in the concert hall these days by almost every pianist of note except Michelangeli — and the two Rhapsodies op. 79. It is vintage Gould: the first Ballade sombre and spacious, cut in granite, but lit by a ceaseless play of colour; the second, dramatic juxtaposition of melting and knife-edge timbres; the third a brilliant, almost Bartokian percussive exercise; the last, darkly retrospective, a remarkable prefiguring of the late piano style.

The two Beethoven sonatas were recorded in 1976, but only now released. There are things on every page here far madder, wilder, more wilful than anything to be found in the Bach or the Brahms. Some of the interpretative treatments, by the lights of the hallowed Beethoven tradition, are so zany at first hearing as to be actually funny. Yet there is a great deal more than merely method in the madness: there is also such consistency, and such radiant conviction, that an immediate second hearing is difficult to resist.

How, after all, to play those always puzzling first eight bars — which are neither melody nor anything but the sparest harmonic framework — of op 27 No 1? Rather than attempt, as many pianists do, to make them what they are not, Gould makes them all the more emphatically, with the mixture of crisp detache and staccato, what they are — a preparatory strumming, a hypothesis, from which both the real melody and the real harmonic framework eventually emerge. That small instance represents in miniature the tenor of both performances. Nothing Gould does need be proposed as "definitive"; but everything in them which first surprises is found, after reflection, to be an invigorating and original illumination. And that after all is what performing music is about — and after all what makes these records so richly rewarding.

DOMINIC GILL

Power and nostalgia in 'Grimes'

The Met season, on whose opening events Max Loppert has reported, continued with a revival of *Peter Grimes*. (*Grimes*, *Billy Budd*, and *The Carmelites*—not Session's *Montezuma* or John Eaton's *Danton and Robespierre*—have been chosen to represent contemporary grand opera in this centenary season.)

The Met first did the opera in 1948, with Regina Resnik and Polyna Stoska as Ellen, Frederick Jagel as Grimes, and John Brownlee as Balstrode. Nineteen years later, they invited Tyrone Guthrie and Tanya Moiseiwitsch to recreate here their Covent Garden staging; it was sung by Lucine Amara, Jon Vickers, and Geraint Evans, and conducted by Colin Davies; and it has stayed in the repertory ever since. The sight of the familiar sets—at Covent Garden they were modified back in 1953, when John Cranko reproduced the piece—fills old English eyes with nostalgia.

But nostalgia is not the main reaction to *Grimes*. With each passing year, its freshness, its power, its richness of musical genius seems to grow. The Met revival was conducted by John Pritchard, in masterly fashion. The orchestral playing was not inspired—how can it be, when the company is a huge machine geared to churn out seven opera performances a week, week after week through the season, with the five-hour *Trojans* as one of them?—but it was of good quality. And Jon Vickers in the title role *was* inspired. There are very few voices that can set the enormous Met ringing; Vickers has one of them. His mad scene was tremendous. The force of his utterance informed equally the quiet, the almost whispered passages—strange, wild thoughts overheard—that make his performance so vivid. This has become an impersonation that, as a colleague put it, transcends art. It is alarming, profoundly disturbing. His voice, his features, his demeanour are distorted, transfigured. In the scene with the boy and in the mad scene, one feels that anything might happen. The boy, who up to then had been a rather inexpressive little stage child, seemed genuinely scared.

Elisabeth Söderström as Ellen and Jon Vickers as Grimes

Two criticisms. When Ellen asks this Grimes where the youngster got the ugly bruise on his neck, he replies "How should I know?"—which is a feeble, imprecise substitute for the "Out of the hurly burly" of the score. And the mad scene is not most effectively played knee-deep in a nowhere-land of swirling stage vapours, instead of the familiar Borough become a moonlit foggy nightmare. Vickers's voice is unwieldly, but as he strains his way upward into the higher notes of the part the very effort is eloquent. Grimes comprises within himself three men who in *Billy Budd* are separate: the victim, the destroyer, and the poetic dreamer. Later this season, Vickers does the role with the Houston Opera and then with the Royal Opera.

As Ellen, Elisbeth Söderström made her debut in the new Met. (She last sang in the old house 19 years ago, as the Composer in *Ariadne*.) It was a beautifully judged, tenderly exact performance, fully characterised in inflection, glance, and bearing. But the house is too large for it; one had to focus in, as it were, to appreciate her fine-spun line. Thomas Stewart's Balstrode was admirable. Jerome Hines's Swallow suggested an American country judge rather than a self-important English lawyer. (He has sung the part for 35 years and still mispronounces "quietus."

Guthrie's production had been put on by Bodo Igesz. It was on the right lines, but many of the characters—Auntie, Mrs Sedley, Ned, the Rector—verged on florid caricature, and it seemed under-rehearsed. Drama disappeared as person after person signalled to us that he or she would be singing next, by slewing eyes round away from the action to catch Sir John's or the prompter's cue.

In *Les Troyens*, Jessye Norman has moved from Cassandra to Dido. Tatyana Troyanos should have made the complementary move, but she has been ill and her understudy, Gwynn Cornell, gave so uninspiring an account of Berlioz's heroic virgin that the Troy acts might as well have been omitted. Particularly since Placido Domingo, after four performances, relinquished the role of Aeneas. William Lewis, his deputy, made something fiery of the big aria but up to that point was workaday.

So all rested on Miss Norman's broad shoulders, and she brought the piece home in triumph. Her ample but soft-grained voice is far better suited to Dido than Cassandra. Her regal, dignified account of the opening Carthage scenes could have been predicted, but perhaps not the savagery, the passion, the intensity of noble grief she brought the great final sequence. This *Troyens* is a disappointing production, but Miss Norman's Dido it came to life.

*

The City Opera has staged Carlisle Floyd's *Of Mice and Men*, first seen in Seattle in 1970, and much done since then. It is a dull, feeble opera—a conscientious plod through Steinbeck's plot in weak music whose superficial coloristic debts to Berg and to Britten are unconcealed. Frank Corsaro produced the Seattle original, has done the work several times since, and in this revival has drawn no more than routine performances from his cast.

ANDREW PORTER

Renée Reznek/Purcell Room

Andrew Clements

Miss Reznek's regular appearances in the Purcell Room may be relied upon for their musical insight and fresh programming. She is interested in the piano music of this century, and that is what she plays—a repertory informed by the composers who began and ended this recital on Tuesday night, Shoenberg and Messiaen. Her approach never fails to be lucid and intelligent: it is a great advantage for a pianist in contemporary music actually to understand what she is performing.

She began with the most "difficult" of all Schoenberg's piano works, the two pieces Op. 33a and 33b, suavely pacing the first, underlining the jazzy, mechanical dotted rhythms of the second, ensuring that in each lines were never mistaken nor blurred. Hugh Wood's three piano pieces Op. 5 from 1963, add to the Schoenbergian melos a tang of Messiaen, in the jagged energy of the second particularly. Miss Reznek was adept at pulling out the lyrical phrases, which show her limpid, rounded tone at its best. In Boulez's first piano sonata she simulated its obsessive fury and vertiginous contrasts with great aplomb; it remained, however, a peculiarly refractory piece.

Dallapiccola's dry, miniaturised *Quaderno Musicale Di Annalibera* and three of Messiaen's early preludes, impressionism with a fervid cast, ended the recital. But they had been preceded by the first performance of George Nicholson's piano sonata, commissioned by Miss Reznek. Nicholson himself is a highly accomplished pianist, and the work is as much about contemporary pianism, one suspects, as it is an abstract musical argument. All manner of colouristic effects are used, though never for sheer novelty value. There are four movements, the central pair scherzos, the finale a set of variations grouped in pairs on a chordal theme. The first movement, monodic statements irregularly interrupted by toccata-like outbursts, struck me as the most effective; elsewhere the working out of thematic connections seemed unnaturally forced.

Thorn EMI to make four British films

Thorn EMI announced a new programme of British films, the first to be made with Verity Lambert as director of production.

One, *Comfort & Joy*, a comedy written and directed by Bill Forsyth, has already started in Glasgow, with Bill Paterson and Clare Grogan of Altered Images pop group in the cast.

For April 1984 *Illegal Aliens*, written by Mel Smith and Griff Rhys Jones, is planned, and this will be followed by *Dream Child*, with a screenplay by Dennis Potter.

EMI Thorn is planning films with a budget in the \$5m to \$10m range and with an eye to the international market.

Book Review

Music and drama in partnership

Opera on Record 2 edited by Alan Blyth, Hutchinson, £15

Anyone who comes to *Opera on Record 2* expecting just another handbook for canary fanciers is in for a surprise. With the backbone of the repertory safely despatched in the first volume the emphasis here can be on less familiar works, which generally have been recorded less often and more discriminatingly. Little space is taken up with the driest kind of "compare and contrast" exercises; there is room for something more discursive, which manages to discuss musical and textual matters at a level that is not superficial.

For that reason the book may be read with pleasure and enlightenment by those who think tht opera criticism is about something more than whether Madam X's 1918 acoustic recording of Y has a better final trill than her subsequent electrical version. There is still a hint of that approach here and there in *Opera on Record 2*, but it properly takes second place to a treatment that values music and drama in equal partnership. The last essay in the book, Robin Holloway's discussion of the two operas of Alban Berg, is a masterly example of the power of matching musical erudition to critical acuity, stunningly perceptive on the shortcomings of performers, and written in a way that leads the innocent reader step by step into the expressive world of the most important and intriguing of 20th-century operas. His description of the sound world of *Lulu* as "sax, vibe and *volupte*" deserves to travel far.

If Holloway's contribution is nonpareil, the broader-based surveys of the operas of Handel by Stanley Sadie and of Gluck (excluding *Orfeo*, which was included in volume one) by Max Loppert are exhaustive and equally invaluable. Each is the work of an enthusiast and specialist, giving the uninitiated clear signposts through the wealth of material, much of it unperformed in modern times, let alone recorded. The contrast with Robert Henderson's fastidiously researched chapter on *The Tales of Hoffmann* is enormous; not only is it a much recorded work with numbers abstracted for myriad recitals on 78 and LP, but he must negotiate a minefield of contradictory editions and attempts at producing a "definitive" score. Again, the final product is of far more perennial value than a simple piece of consumer advice.

David Cairns on Berlioz (including *The Damnation of Faust*) and Rodney Milnes on Massenet's *Thais* and *Don Quichotte* are authoritative and enthusiastic; Milnes' achievement in getting this reviewer to read *anything* about Massenet with interest and enjoyment should not be underestimated. David Murray's Stravinsky is as sharp and economical as the operas themselves, though his support for *The Nightingale* stretches my credulity just a little; a shame also that *Mavra* is excluded from his discussion. John Steane's lively *Queen of Spades* and Richard Osborne's coupling of *L'Italiana in Algeri* and *Il turco in Italia* combine love for the operas with deep knowledge of their recorded histories; the editor's own essay on *Samson and Delila* nicely balances crusading zeal against incisive discrimination.

One or two contributions are routinely dull, but disappointments are few. Janacek really deserved more thorough treatment than Michael Kennedy's brief tour round the entire canon manages; it reveals little about the music, though the comparisons between recorded versions are sensible and helpful. Peter Stadlen's treatment of Schoenberg carries comparison *ad absurdam*: to be told that (in *Erwartung*), "in two cases a single wrong note on the Scherchen record corresponds to batches of respectively 16 and 7 wrong notes under Craft," gives the prospective listener nothing useful at all. When the same heavy hand is applied also to *Moses und Aron* and *Die glückliche Hand*, a valuable opportunity to explain and introduce a significant yet neglected part of the 20th-century operatic repertory has been squandered.

I understand that *Opera on Record 3* is on course for publication next year. By then the project will be fairly comprehensive. Indeed the present volume leaves few obvious gaps—second-rank Verdi and Rossini perhaps, French operetta, Bartok's *Bluebeard*, Ravel's one-acters, Tippett, Weill, Hindemith. After that we start to enter very arcane territory. The problem with many record surveys of this kind is that they swiftly become outdated. In opera the danger is less acute: new recordings are more costly and are more cautiously planned, and they tend to remain in the catalogue rather longer than the average release. Yet *Opera on Record*, as I've suggested, is rather more than a buyers' guide; it is a valuable iconography of use to the collector long after the LPs currently available have been swamped by digital recordings and compact discs.

ANDREW CLEMENTS

Children's Theatre

Martin Hoyle

Far from being a merely seasonal phenomenon, children's theatre is both full-time and ubiquitous to judge by the nation-wide itineraries of the companies Flying Tortoise and Whirligig.

Indeed, David Wood, founder and director of the latter, lays great stress on school party audiences; and both companies use fun to put over generalised messages. In *The Rainbow Man* (Lyric Hammersmith) the planet Grumbolia is wasting its precious spig-spogs, which can make useful things like food, in whizz-flashes as a deterrent against the Outsiders. At Sadler's Wells Whirligig's *Selfish Shellfish* portrays the repulse of the Great Slick and his henchman Sludge by a group of rock-pool dwellers led by a Thora Hird-like starfish.

Flying Tortoise's fraternal message is laced with practical advice on how to avoid being run over at night and a morally responsible attitude to magic that E. Nesbit would have approved of (miraculously produced sweets must be shared with the audience). *Shellfish* emphasises its ecological burden with a thoughtfully questioning song ("When will we learn? Will it be too late?") plus a share in Project Seagull with the Young Ornithologists' Club. *Rainbow Man* gives you an activities booklet dealing with transport and safety.

Both shows have their agreeable scares. The Great Slick, a cross between the fairy Carabosse and Ivan the Terrible, nearly covers the rock-pool with a black cloak draped from elongated arms. The spacecraft landing on Grumbolia (excited applause) disgorges one-eyed green daleks with elephant trunks. The expert behind me, piercingly reiterating what was happening and predicting—with infuriating accuracy — what *would* happen (I think I've heard her grandmother at numerous West End matinees), shrewdly concluded they were lovable ("What a *kind* baby monster — he looks like a littul pear").

Rainbow Man has a video screen, conjuring, a computer and lovely fluorescent effects; *Shellfish* an ingenious set (aah!"), more audience participation and a giant pink anemone that belches after chomping up a villain and knocks spots off anything in *Little Shop of Horrors*. *Shellfish* is more polished; *Rainbow Man* has more heart.

A few hours after seeing the latter I was at The *Valkyrie*; and reflected that spig-spogs embody a more relevant resource than the Nibelung's gold, while "friendship can be more powerful than a whole planet shouting" is a better bet as a basic philosophy, in these feminist days, than reliance on womankind's redemptive love.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

November 11–17

Exhibitions

LONDON

The National Gallery, Manet at Work: this year falls the centenary of Manet's death, which now, in the knowledge of the great old age achieved by his Impressionist contemporaries, whom he influenced so positively, seems so sadly premature. The great retrospective in Paris this summer clarified the nature and significance of his achievement. Here the National Gallery does not give us anything so comprehensive, but takes eight major works across the range of his career, and by simple scholarly exposition, shows us how he set about his business

The Royal Academy: Art of the Avant Garde in Russia 1910-30: a selection amounting to some 300 works from the astonishing collection formed since the War by George Costakis, sometime official in the Canadian Embassy to Moscow. The Russian artists in the years before and after the Revolution were as stimulated by the ideas and events of that time as their fellow-intellectuals and consequently denounced as decadent when Stalin decided they were too dangerously free and should be suppressed. One wonders how many more works are still under lock and key. Ends Nov 13

PARIS

Musée de Cluny, 6 Place Paul-Painlève: this museum, built originally by the Abbots of Cluny, now houses medieval works of art, including goldsmiths' work, carved altar pieces, ivories, fabrics, and Limoges enamels. Also a set of the Lady and the Unicorn mille-fleurs tapestries – an allegory of the five senses. Closed Tuesday, and every lunchtime

Cycladic Art from the N. and D. Goulandris Collection – more than 200 remarkable items dating from the third century B.C. are being shown at the Grand Palais before returning – definitely – to Athens. Grand Palais (ends Jan 9 1984). Closed Tue, Wed late closing night 10 pm (2615410)

Turner (1775–1851) – the exhibition traces the creative development of the artist who, although steeped in the great landscape-painters' tradition of the 18th century, becomes – through his fascination with the effects of light – one of the forerunners of abstract art. Grand Palais (Oct 15–Jan 16). Closed Tue (2615410)

Liège Modern Art Museum has lent its collection of choice items – one of Monet's first paintings and one of Gauguin's last. Also a surprising, Blue-period Picasso – to the Centre de la Communauté Française de Belgique. (Tel: 2712816), 11am–8pm, closed Mon, Ends Jan 8.

The Land of Baal and Astarte. Ten thousand years of Syria's artistic development. Petit Palais (2651273). Ends Jan 8, 10am to 5.40pm. Closed Mondays

Balthus: 50 paintings and as many drawings are shown in the secretive painter's first retrospective in collaboration with the Metropolitan Museum. The accent is on his work in the thirties. Centre Georges Pompidou. Ends Jan 23, closed Tue (2771233)

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

Manet (Metropolitan Museum of Art): Almost 200 important paintings marking the 100th anniversary of the artist's death are included in the most comprehensive Manet exhibition for nearly a century. Ends Nov 27

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984

Hirshhorn Museum: Direct Carving in Modern Sculpture is a cleverly assembled show from the museum's own collection of works by Brancusi, Gauguin, Hepworth, Moore, and Noguchi, among others, showing the taille direct technique as revived in the late nineteenth century and used even today. Ends Nov 27

National Museum of Natural History: The Precious Legacy contains 350 secular and religious Jewish objects the Nazis preserved in Czechoslovakia for a "Museum of an extinct race", covering five centuries of gold, portraits, textiles and other crafts from the collection of the State Jewish Museum in Prague. Ends Dec 31

BRUSSELS

15th Century drawings from Belgian private collections – 100 drawings including Jordaens, Teniers, van Goyen, Tiepolo, Poussin and Fragonard. Société Générale de Banque. Ends Dec 21

WEST GERMANY

Berlin, Nationalgalerie, 50 Potsdamer Strasse: 180 figurative and abstract wooden, bronze, wire and rolled-steel sculptures by Pablo Picasso. Ends Nov 27

Hanover, Wilhelm Busch Museum, 1 Georgengarten: The first venue of the roving exhibition with 176 etchings and lithographs by George Cruikshank, the British cartoonist. Ends Jan 8

Essen, Museum Folkwang, 41 Goethestrasse: paintings, drawings, water colours and graphics chiefly from the early periods of Erich Heckel (1883 to 1970), the German expressionist painter. Ends Nov 20

Munich, Lenbachhaus, 33 Luisenstrasse: 'Aktuell '83' offers a view of a sizeable part of today's European arts scene through 165 works (mainly paintings, sculptures, video and films) by 44 artists from Milan, Munich, Vienna and Zurich. Ends Nov 20

Kaiserslautern, Pfalzgalerie, 1 Museumsplatz: "art deco" (Jugendstil in German) is illustrated here through 360 exhibits on loan from a private collection. Among the pieces shown are furniture, ceramics, glass and pewter. Ends Nov 30

Kassel, Museum Fridericianum, Friedrichsplatz: "germination II" has works by 90 fine arts students from Britain, France and West Germany. Ends Nov 20

Stuttgart, Galerie der Stadt, 2 Schlossplatz: roughly 50 – rarely shown – landscapes painted in oil, water colour, or drawn by Oskar Schlemmer (1888 to 1943), the Bauhaus teacher. Ends Nov 27

ITALY

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

FINANCIAL TIMES

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Thursday November 17 1983

The UK and South Africa

IN AN important statement of British policy towards South Africa this week, Sir Geoffrey Howe drew attention both to the dangerously rising level of violence in the region, and to the paramount need for change and reform within South Africa itself. He spelt out British concern in terms stronger than those used by any Tory Foreign Secretary in recent years, condemning South Africa's military operations into neighbouring countries, and rejecting the apartheid system as not only "morally abhorrent," but also "untenable and incompatible with economic dynamics"—strong words indeed from the former Chancellor.

His speech was undoubtedly made with more than an eye on the forthcoming Commonwealth Heads of Government Meeting in New Delhi. It has predictably angered the South African Government and its supporters, not least for its implicit questioning of the value of the recent referendum on constitutional change, affecting only a minority of the population. But there can be no doubt that there are good grounds for concern over the pattern of events in the region.

The war in Angola has heightened markedly in recent months, with the South African-backed Unita guerrilla movement making significant advances towards the capital, Luanda, resulting in growing direct involvement of the estimated 20,000-odd Cuban troops supporting the MPLA Government. As a result, the prolonged western initiative to promote a settlement in neighbouring Namibia appears to have ground to a halt.

Condemnation

On the eastern seaboard, Mozambique is facing a debilitating guerrilla war against an organisation which draws its succour and support from South Africa. It is also caught in the middle of South Africa's own security problems, suffering the retaliatory raids of South African commandos for grudgingly providing transit routes for African National Congress guerrillas.

Sir Geoffrey was forthright in his condemnation of cross-border raids — whether by black nationalists or South Africans — and in his call for South Africa to withdraw from southern Angola. But he did not depart significantly from long-standing British policy towards South Africa. That might best be described as constructive fence-sitting: he was critical, but he insisted on the need for continued dialogue. He supported sporting sanctions and the arms embargo, but he rejected any suggestion of wider economic sanctions.

It is a policy designed to avoid the evil day of having to choose between Britain's substantial interests in South Africa, and its trade and investment with the rest of the continent.

If Britain and its western allies are to avoid having to make increasingly difficult choices between black and white Africa, there must be visible signs of progress, both towards reducing tensions between the states of the region, and towards greater racial accommodation within South Africa. On the former count, the opposite is happening; on the latter, the signs are still unclear.

Sir Geoffrey expressed some doubt that the constitutional reforms — to bring the minority Coloured and Asian groups into junior partnership in a white-dominated system — answered the need for a system "acceptable to the people of South Africa as a whole." He was more hopeful at the changes wrought by internal economic forces, such as the rise in black purchasing power, and the growth of black trade unions.

The one area where visible progress has been most nearly achieved, but now seems to be fast fading, is Namibia. The U.S. policy of "constructive engagement" in South Africa — in effect, of offering more carrot than stick — has failed to persuade Pretoria to allow the territory self-determination and independence. The escalation of the war in Angola, compounded no doubt by the U.S. invasion of Grenada, must make Cuban withdrawal far less likely. Yet Washington has encouraged Mr Botha to demand that such a withdrawal should be the precondition to a settlement.

A solution of the Namibian dispute has always failed so far because South Africa has never been convinced of its net benefit: the domestic backlash of allowing black nationalists to take over the territory has always outweighed the likely benefit in terms of international goodwill.

Having won his constitutional referendum with 66 per cent support from the white electorate, Mr Botha is in a stronger domestic political position than he was. But he still needs to be persuaded of the balance of advantage in favour of a Namibian settlement. And that may take stronger pressure from the West, above all the U.S., than is currently contemplated.

Exchange rate instability

IF THE Williamsburg Summit was supposed to have achieved anything in the economic area, it was the joint acknowledgement by the seven summit countries of the importance of interdependence; or, more tangibly, of the need for each country to pay heed to the impact of its policies on the others. That commitment had particular relevance to the problem of exchange rate instability. But how much do we have to show for it nearly six months later?

The short answer is not much. Economic convergence has long been regarded as a prerequisite of exchange rate stability in a floating world; and the summit leaders committed themselves to an attack on structural budget deficits and a continuing campaign against inflation to achieve that end. Yet President Reagan has pursued, and will continue to pursue until the presidential election next year, a thoroughly Keynesian fiscal policy, combined with a variably tight monetary policy.

As for the assault on inflation, Japan and the European summit countries have adopted the opposite of Keynesian fiscal policies in pursuit of that goal. But as the Deputy Governor of the Bank of England, Mr C. W. McMahon, indicated in a speech earlier this week, differential rates of inflation are not the only factors affecting nominal exchange rates.

Among the structural problems that make for instability is the fact that exchange rates are driven more by short term capital flows than underlying trade flows. Exchange rates tend to overshoot because the flow of goods is slower to respond to economic change than speculative transactions in financial assets. The resulting uncertainty shortens investment horizons and inhibits capital formation. It seems unlikely that anything less than permanent convergence of national inflation rates will make the problem go away.

In a wistful concluding comment Mr McMahon remarked that if all countries paid more attention to their exchange rates we might start to e[illegible] towards global stability. Yet it is a moot point whether Britain—suspended on this, as in numerous other issues, somewhere in mid-Atlantic—is contributing as much to stability as it might.

Though Britain is not a full participant in the EMS it does place emphasis on the exchange rate as a measure of domestic policy. For some time the authorities have used it to interpret the behaviour of the monetary aggregates. Generally speaking, if the exchange rate strengthens, there is a presumption that monetary policy is tighter than suggested by the monetary aggregates, while the converse applies when the rate weakens. But there is no explicit target and, according to Mr McMahon, no automatic policy response. Moreover, the Chancellor in his recent Mansion House speech appeared to downgrade the whole idea of exchange rate targetting on the ground that it produced misleading signals, while stressing the importance of Monetary aggregate, whose main component is notes and coin with the public.

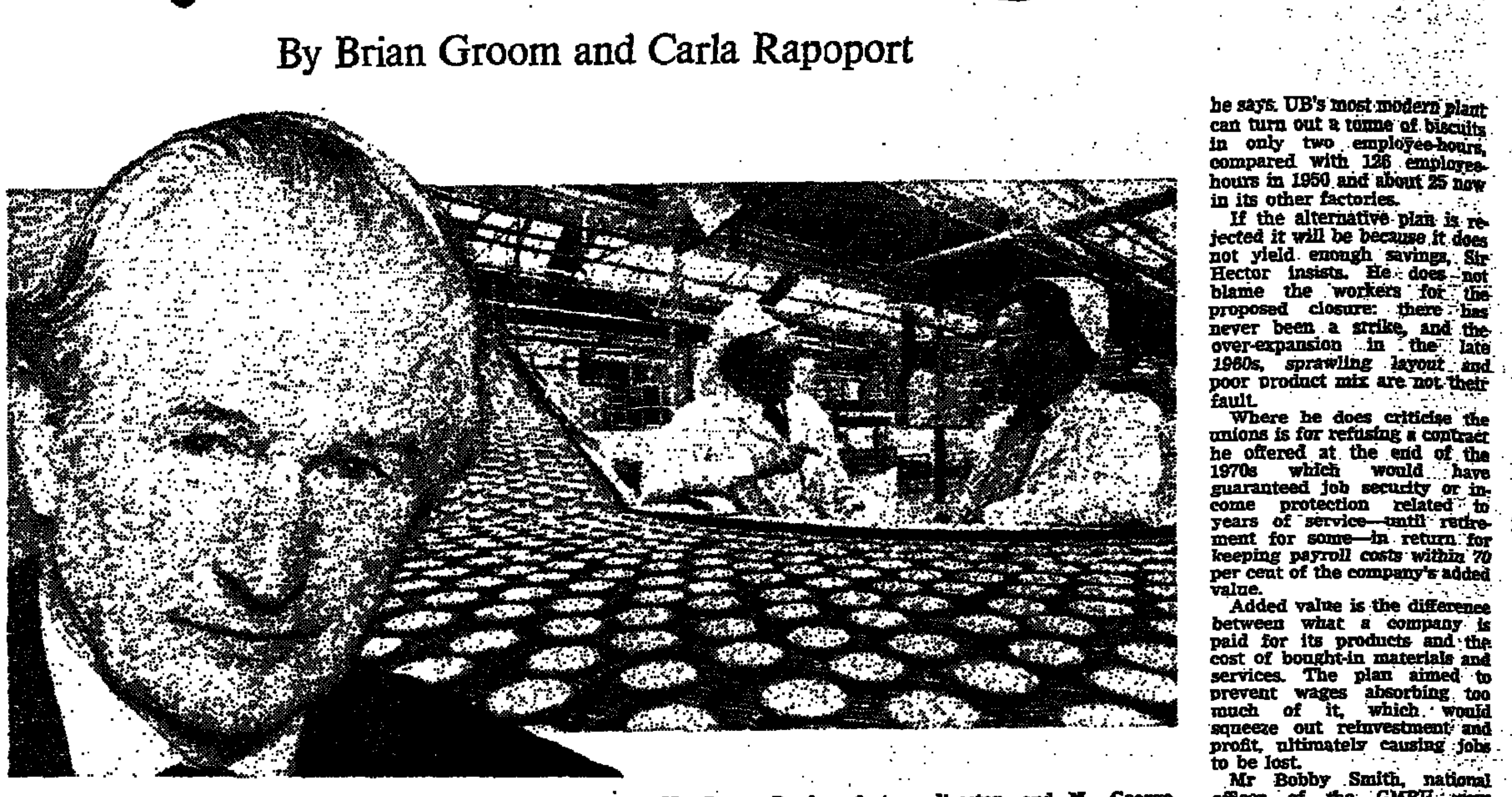
In one sense the Chancellor's criticism is well founded: if sterling weakness is associated with a big fall in oil or commodity prices, it does not follow that there will be inflationary consequences. But nor does it follow that a more explicit target should be cast in tablets of stone and that divergences should precipitate instant policy responses. It would anyway be hard to conceive of a more ambiguous set of signals than the present array of Ms and unstated assumptions about the appropriate level of sterling. Given the poor record of monetary targetry, especially in 1980-81 when the exchange rate provided a more useful guide to the real stance of monetary policy, the case for injecting more clarity into the exchange rate side of the equation is surely clear. The advantage of such a target lies precisely in its ability to send signals to those who set the prices of goods and labour, after an appropriate learning period.

UNITED BISCUITS' FACTORY CLOSURE

Anatomy of a union fight-back

By Brian Groom and Carla Rapoport

"Community leaders, whether in the public or private sector, have a duty to kindle the spirit of constructive co-operation and to galvanise others into joining a crusade against unemployment, inner-city decay, environmental blight and the attendant bitterness."



Sir Hector Laing (left), chairman of United Biscuits; and (right) Mr James Dunlop, factory director, and Mr George Hennessy, GMBU site convener, in the Liverpool plant.

SIR HECTOR LAING, chairman of United Biscuits, said that in April. Yet two months later his profitable company risked a wave of acrimony by announcing the closure by 1986 of its Liverpool biscuit factory, axing 2,000 jobs in the depressed Old Swan area where 92 unemployed people chase every registered vacancy.

The United Biscuits board is now looking at a 157-page alternative plan put forward by the unions to keep the plant open with a reduced workforce, and diversify into new products. It is an imaginative and detailed response to the company's argument that it has too much capacity in its biscuit division, and needs cost savings to meet growing competition.

The sophistication of the plan breaks new ground for the union movement. Local councils, desperate to halt Merseyside's endless list of closures, put up £20,000 to engage an outside consultancy. UB itself provided commercially sensitive information.

A decision is expected shortly. If the plan is accepted, Sir Hector will be a local hero because Liverpool has never been able to persuade a company to reverse a major closure. If it is rejected, his name will be mud on Merseyside.

Sir Hector is prominent among businessmen who believe they have a role to play in preventing the social divisions of the 1930s being repeated. The closure of UB's Crawford's biscuit factory — a buttress of the Liverpool economy for 86 years — tests an issue at the heart of that philosophy: how far should commercial decisions be tempered by commitment to the community?

"There is a moral crisis for capitalism over areas like Merseyside," argues the Reverend David Sheppard, Bishop of Liverpool. "Industry created areas like this because it once wanted workforces in them. That carries obligations. You can't padlock the gates of Liverpool and walk away from it."

Sir Hector insists that damage to his reputation will not sway the decision. A close supporter of Mrs Thatcher, he says he will not shirk the tough choices brought about by inescapable economic realities.

He adds: "Of course I must take the social consequences into account. If the savings being suggested came close to the ones we wanted, they would tip the balance. But if the gap was too wide, I would be putting the jobs of everybody else in our biscuit company at risk by not closing the factory."

The unions' alternative plan aims to test where that balance lies. They claim it would save £6.5m annually at Liverpool and perhaps £6m elsewhere in the company — more than half-way towards UB's target of up to £20m a year.

That is enough for social factors to tip the balance, say the unions. They argue that if these savings are insufficient to keep prices competitive, then the company is creaming off too much profit with its annual 10 per cent return on biscuit sales.

They face an uphill task, if opinion in the City of London is anything to go by. "It's hard to congratulate a company for putting people out of work, but this is a totally genuine management move for fundamental business reasons," says Mr David Nolder, a food industry analyst at stockbrokers Scrimgeour, Kemp-Gee.

'There is a moral crisis . . . over areas like Merseyside'

Britain's appetite for most biscuits has waned in recent years. For example, the £350m-a-year market for sweet and semi-sweet biscuits (not including chocolate ones) has not shown any real growth in five years and is not projected to show any for the next five.

UB makes money from biscuits, a claim many of its competitors have not been able to make for some time. But companies hoping to outperform the sector must improve productivity, technology and product innovation.

Overcapacity in the industry is about 40 per cent, before counting recent closures announced by Nabisco. This excess capacity has led to keen price competition at a time when raw material costs have been climbing. UB's raw materials costs went up by £16.5m, or 11 per cent, this year.

The need for at least one closure became clear to UB last year, when a report commissioned from McKinsey, the management consultancy, said the company could produce the same tonnage more efficiently in 1.8 fewer factories. (UB's biscuit division has five plants, and another two factories in the foods division also make biscuits.)

Other factors include growing competition from own-label biscuits, and a potentially tough challenge from Nabisco following the U.S. company's takeover of Huntley & Palmer in 1981.

Imports also present a threat. Although less than 4 per cent of the total market, imports of chocolate biscuits rose eight-fold between 1979 and 1982. In the sweet and semi-sweet category, the level has nearly tripled in the same period.

Sir Hector points to the motor industry's rising import penetration over the past 10 years as a lesson not to be ignored. "Failure to do things in time is the most expensive thing you can do. The cost of doing nothing could be very much greater than closing one factory," he says.

Liverpool, with high overheads, was chosen because it yielded the greatest savings. Not much more than 60 per cent of its 72,000 tonnes a year capacity has ever been needed.

Mr James Dunlop, factory director, says that although Liverpool has recently been improving its performance, traditionally it has been at or near the bottom of every UB league whether on sales, overhead costs, output in cases per hour, or losses from waste.

The company expects the shutdown to save £10.6m a year at a one-off closure cost of £19.6m. About 1,000 jobs would be created at other factories to which Liverpool's products would be transferred.

The unions say their alternative plan would save £6.5m a year at Liverpool and retain 1,100 of the 2,000 biscuit-making jobs there. These savings would come mainly from reduced wage costs, and compression of the layout from 15 to 10 acres in order to cut heating and rates bills.

Liverpool's recent losses would be turned into annual profits of £5.5m under the plan, based on this year's sales and cost levels, say the unions. They also propose to sit down with the company and make savings on overheads in the rest of the biscuit division. These have not been specified, but are likely to mean cuts in areas like sales and distribution.

With the help of a management consultancy, the London Group, the unions have proposed a £1m investment at Liverpool in new products such as fresh sandwiches, salads and oven-fresh pizzas, which they say could create jobs for another 160 people, and generate £6m extra turnover with £1.3m a year profit. Research among retailers has identified products which could sell.

UB is examining the alternative plan seriously. Its acceptance would go some way to establishing a new, constructive pattern in trade union campaigns against closures—though the situation is unusual in that this announcement was made a long way before the shutdown, which gave unions time to prepare their case.

Where the unions do criticise UB is for not consulting them on the alternatives before opting to close Liverpool. "They'd have got five sites quaking in their boots and they'd have had two or three of these plans," says Mr George Hennessy, site convener, of the General, Municipal and Boilermakers' Union and chairman of the committee set up to fight the closure.

If UB quits, it is likely to leave money behind

They also believe that if the decision had been delayed a few months, Liverpool would have been harder to close because its performance was improving. They say it was heading for a profit of about £200,000 this year after losing £2.5m in 1982. (UB does not quarrel with this, though it does not give profit figures for individual factories.)

The unions claim that if their plan is rejected, they will have exposed the real reason for the closure: not short-term savings, but long-term plans to concentrate biscuit-making in fewer factories, using constantly advancing technology to make economies of scale.

Sir Hector does not deny that new technology has a sharp impact. "A static market, advancing technology and you are on a collision course on jobs," he says. UB's most modern plant can turn out a tonne of biscuits in only two employee-hours, compared with 126 employee-hours in 1950 and about 25 now in its other factories.

If the alternative plan is rejected it will be because it does not yield enough savings, Sir Hector insists. He does not blame the workers for the proposed closure: there has never been a strike, and the over-expansion in the late 1960s, sprawling layout and poor product mix are not their fault.

Where he does criticise the unions is for refusing a contract he offered at the end of the 1970s which would have guaranteed job security or income protection related to years of service—until retirement for some—in return for keeping payroll costs within 70 per cent of the company's added value.

Added value is the difference between what a company is paid for its products and the cost of bought-in materials and services. The plan aimed to prevent wages absorbing too much of it, which would squeeze out reinvestment and profit, ultimately causing jobs to be lost.

Mr Bobby Smith, national officer of the GMBU, says that like many of Sir Hector's schemes this was sincere but 10 years ahead of its time. A scheme that looked like pay restraint was hard to sell to workers at a time of high inflation.

Even as things are, however, UB says the growth of its restaurants business (including Wimpy bars and Pizzaland) is more than offsetting the decline of manufacturing jobs. The company's workforce is expected to show a net increase of 2,100 between 1982 and 1987.

Sir Hector promotes many schemes for ways in which society can plan to offset unemployment. He would like, for instance, to see a national, one-off, voluntary early retirement scheme for up to 1m people over 60.

If UB quits Liverpool, it is likely to leave money behind, perhaps for small business workshops or a trust fund for local projects. Sir Hector wants British companies to give 1 per cent of pre-tax profits to community projects, and says UB has achieved this level around the country by donating funds, premises, or seconding managers.

This still leaves the dilemma over closures. The Rev David Sheppard argues that isolated companies are unable to give full weight to social factors, and that State planning is needed—though in its absence, business must show how the present system could work better. Sir Hector says industry cannot ignore the consumer's demands for efficiency.

Said one employee at the factory: "He's made a harsh decision. From his view it's probably right, but I don't think he should come out smelling of roses. He's paid to take the knocks."

Men & Matters

Not family

Ian MacLaurin, aged 46, Tesco's managing director, who was named yesterday as the successor to chairman Sir Leslie Porter when the latter retires in 1985, nearly became a professional sportsman rather than designated head of one of Britain's biggest supermarket chains.

"I played football as an amateur for Chelsea in the same team as Jimmy Greaves," he tells me, "as well as turning out for Kent at cricket while I was at school."

He decided against a sporting career—"the wages were too low at that time"—and chose instead to join Tesco as a management trainee.

Now he is to become the first Tesco chairman not related to the group's founder, the late Sir John Cohen. Both Hyman Kreitman who was chairman in the early 1970s, and Porter are married to daughters of the founder.

Speculation about the Tesco succession has been rife for several months and yesterday's announcement—20 months in advance—is, it is thought, designed to stop continued guessing and consequent impact upon share prices and morale.

Account taken

Deloitte Haskins and Sells has won the race for one of the most coveted prizes in the U.S. accounting world — the Japanese-American accountancy firm Sho Iino. Since the summer the big international groups have been engaged in the nearest they could ever come to a takeover scramble for the Los Angeles firm. Deloitte has finally come out on top with an undisclosed mixture of equity participation in the group and partnerships for five of Sho Iino's 54 professionals, including Tom Iino, son of the founder.

Tom Iino is described by Deloitte as "American as apple pie," and was educated at the University of California Los Angeles. His father, Sho Iino, also graduated from UCLA, and later became the first Japanese-American to gain an accounting qualification in the U.S. The company he formed has grown with Japan's interests in the U.S., and now serves 130 Japanese companies in the country

Two other Japanese-American accountancy firms have recently merged with members of the world's big eight — Arthur Young and Coopers and Lybrand — so the field is clearly becoming more competitive. The Japanese-Americans believe they gain from being part of larger organisations because they increasingly need to tackle more specialised situations as Japanese companies move from importing to manufacturing in the U.S. The big groups, on the other hand, get more bilingual capacity, still important to many Japanese executives, as well as accountants who have a feel for Japanese traditions.

Index kinked

What do you do when the ordinary share index falls day by day . . . and continues on that slippery slope for 22 months?

In the case of the Vancouver stock exchange — where the exchange's own index has behaved in precisely that way—dismayed punters have finally decided that the only alternative to ruin is to take the index apart and examine the works.

A swift surgical probe has revealed that it has been cheating them no fewer than 2,800 times every day.

Outside consultants called to study the index say it has had a "serious downward bias."

The fault is in the computer programme which has been truncating the figures on the right-hand side of the decimal point each time the index is calculated.

Now the index is being re-run with instructions to "round" the fractions instead of truncating them. The new index level is expected to be twice as high as the 525.997 points recorded at the close before the error was discovered at the end of October.

It will take about three weeks to calculate the new figure and re-run the historical data. Naturally a few brave souls are trading an informal futures market on the prospective level of the correct index.

Offshore raid

Guernsey is witnessing what is an almost unheard-of piece of drama in the business history of the Channel Islands—nothing less than a full-scale takeover battle.

The subject of the bid is an old-established company, Fruit Export, which survived happily for most of its existence on growing and packing tomatoes, but with the recession in the horticultural industry has lately moved into other fields including data-processing and the manufacture of perfumes.

The first attack came from another diversified group, Huelin of Guernsey, which Fruit Export has been quick to denounce as really being a Jersey - controlled company.

Huelin was challenged in turn by Cumbrae Holdings which last year acquired the freight airline that carries most of Guernsey's flowers to mainland markets.

The bidding has risen over the past month from £12 an ordinary share up to £28.

But Fruit Export—in the best traditions of take-over battles—continues to describe all the offers as "derisory," and says its ordinary shares are worth £74 apiece.

"Im not sure about the colour —it looked much better on Michael Heseltine."

Nailed

Radio London has been suffering unusual communication difficulties this week. Phone-in callers have been unable to get through and the staff has been struggling to make programmes while virtually cut off from the outside world.

Cynics suggested the crisis was the result of cuts in the station's budget following a 140 per cent overspend.

But, in fact, the cause was a breakdown in the telephone system of such a serious nature that the chairman of British Telecom, Sir George Jefferson, personally apologised to the phone-in programme's presenter Robbie Vincent.

Now the fault has been traced. One of the BBC's own engineers had put a nail through a vital cable while re-hanging the studio clock.

Observer

ECONOMIC VIEWPOINT

Privatisation: a new approach

By Samuel Brittan

PRIVATISATION exercises have hitherto not involved major state monopolies, but state enterprises competing in a largely private enterprise world, such as Britoil and Cable and Wireless. In this Parliament, however, denationalisation schemes are due for industries which have hitherto operated as state monopolies.

The gains in efficiency and greater competition from denationalisation depend crucially on how far denationalisation can be accompanied by greater competition.

It will not have escaped notice that the nationalised industries are fighting tooth and nail to prevent greater competition from accompanying privatisation.

Only one mainstream telephone competitor to British Telecom is envisaged, namely Mercury; British Airways is not keen to open its routes to competition; British Gas is reported to be keen on denationalisation in its present convenient monopoly form.

Eliminating the biggest political snag

Unfortunately, not only do some sponsoring Departments, such as Energy under Peter Walker, back the anti-competitive proclivities of their client corporations, but the Treasury's own interest is ambivalent.

For the more highly protected the successor concerns are against competition, the greater will be the proceeds of privatisation issues.

In view of these and many other problems, it is sometimes asked whether "more competition" and, if necessary, the breaking up of state corporations into smaller entities, could be a substitute for privatisation. This alternative route is unlikely to take us to the desired destination.

For while privatisation without liberalisation will yield disappointing results, so will liberalisation without privatisation.

You cannot compel competitive behaviour just by removing restraints on new entrants in enterprises whose losses are made up by the state and where profits disappear into the Treasury coffers. You do not make a mule into a zebra by painting stripes on its back.

The most important argument relates to political dialectics. The mere announcement of privatisation leaves the Government vulnerable to the charge of simply creating private monopolies; and in self-defence it is impelled to introduce some competitive elements — admittedly far from enough—which would never even have been on the agenda without the privatisation debate.

Would not everything be much easier and would not many of the perverse aspects of privatisation disappear, if instead of state assets being sold to investors, shares in them were "given" to every adult citizen on a *pro rata* basis (as Barry Riley and I have already proposed for North Sea oil, *Lloyds Bank Review*, April 1978).

The "handing over" approach eliminates at a stroke the biggest political snag in privatisation. That is that the concerns would be subjected to renationalisation and subsequent denationalisation threats, according to the political colour of the government.

With widespread popular ownership, renationalisation would be very unpopular and would be inconceivable at anything less than fair market rates.

The handover solution also abolishes the conflict between the competitive efficiency aspects and the Treasury's revenue-raising aspect, by abandoning the latter objective entirely.

Although the immediate PSBR loss would be cosmetic, there would, of course, be a future loss to the Treasury from handing over the nationalised industries *gratis* rather than selling them on the Stock Exchange.

The best way to think of the matter is to look at an underlying budget deficit which can be financed in different ways.

● If the Government just sells gilts, it has to meet interest payments in future years, but retains its right to the surpluses of the nationalised industries which ought to be a source of revenue if managed properly.

● *If nationalised industry equity* is sold instead, the Government loses its stake in the future profits of those industries, but in compensation has smaller interest payments to make, because it has issued fewer gilts.

● If it "gives away" the nationalised industry equity, it loses its right to their future profits, without any reduction in the need to sell gilts and thus without any saving in future interest payments on them.

Thus, it is only frank to admit, that if state assets are "given away" there will be less scope for cutting taxes than if they are sold.

Instead of obtaining tax cuts, citizens will instead have dividend payments on their denationalised shares.

These dividend payments would have the following advantages over tax cuts:

● Distribution. Nationalised industry stock would initially be distributed equally to all citizens. Tax cuts in practice tend to benefit those who pay most taxes. Nationalised industry dividends would reach people with no taxable incomes and no entitlement to state benefits.

● Capitalisation. Even more important, holders of the new stock would be able to realise their assets in the market, or borrow on their strength, and thus have all the benefits of wealth ownership. There is not, on the other hand, and could hardly be, a market in rights to hypothetical future tax cuts.

The most important arguments for asset give-away relate to the distribution of wealth and the creation of a property-owning democracy. Privatisation which takes the form of handing over shares to all citizens without payment does help to make the distribution of capital assets less concentrated.

Nor does the argument that most people would sell their "free" denationalisation shares cut any ice. It is irrational for a small investor to have all his eggs in one basket; and it would be highly rational for him or her to sell out to the institutions and invest the proceeds in a more broadly based fund such as a unit or investment trust.

The main rival to *pro-rata* distribution is distribution to employees. This may be suitable in some cases, as in the National Freight Corporation. But there is the problem of equity. Workers in heavily capitalised industries such as electricity would gain disproportionately relative to those in labour intensive industries such as mining. A more important objection is the undesirability of workers having a double concentration of risk — their wage and employment prospects plus their capital assets — all in the industry in which they work.

The asset give-away approach also has relevance to wider problems of stagnation and unemployment. The unemployment figures themselves suggest that there exists a substantial excess of labour relative to other factors of production at current levels of real wages. The rise in real interest rates suggests a shortage of capital adapted to current technology and demand. If popular fears about the microchip mean anything, it is that the newest technologies may be labour-saving and capital-using.

To price workers back into jobs we may well, thus, need a fall in real wages, relative to previous expectations, and a rise in the reward of capital, i.e. in the rate of profit.

Why is this so terrible a prospect? A shift in market rewards away from labour towards capital is a disaster only if capital is highly concentrated and many workers have very little except a stake in their own houses.

If, however, income earning assets were to be so widely distributed that every family derived a substantial annual amount from them, the position would be very different. For the main thing wrong with investment or unearned income is that too few of us have it.

How large a contribution could the give-away of state industries make to the wider distribution of property ownership and investment income?

Any estimates at this stage must be tentative—not to say heroic. But one starting point might be dividends on ordinary shares of industrial and commercial companies which amounted in 1982 to nearly £6bn according to the National Income Blue Book. (The ACT and overseas profits adjustments roughly offset each other, leaving pre-tax dividends of £6bn from UK operations.)

The net fixed UK assets of the corporate sector amounted to £218bn on a replacement cost basis. Those of public corporations amounted to £128bn, or just over half as much. Applying the same ratios, the nationalised industries ought to be able to pay dividends of about £3bn.

If this sum is divided among 40m adults, it works out at £75 per head. This may not sound much, but it amounts to nearly £200 for a family of two to three adults. Capitalised at present dividend yields, this would amount to £4,000 per family.

Even if we allow for the possibility of higher dividend

The asset give-away approach

yield on utilities the value would still be around £3,000 for a typical family (compared with an estimated £4,000 for our proposed North Sea Oil stock.

Thus the conclusion is that although "free" distribution of nationalised industry shares would not, of course, be enough on its own to make the country into a population of substantial property owners, it would nevertheless make an important start.

Measures to secure a broader spread of ownership of other capital assets outside the state industries sector will be necessary too.

But a populist form of denationalisation will at least point the way to widespread ownership of capital. If the latter occurred, market-clearing wages would become once more a political possibility and the pressure for measures such as "job-sharing" to reduce the supply of labour would be somewhat less.

Thus privatisation could both be given a more radical thrust and at the very same time contribute towards a return to full employment.

Lombard

The Socialists and the bourse

By David Marsh in Paris

ALTHOUGH they may come to power with notions of battling with capitalist barons, left-wing governments have a habit of learning very quickly the importance of supplicating the financial markets.

This has certainly been the case in France, with the stock market at least. President Mitterrand's victory in May 1981 sparked off an immediate collapse on the Paris bourse. But 2½ years later, Socialist policies towards the stock market—including the sweeping nationalisations carried out (on generally favourable terms for shareholders) in February 1982—are now looked upon with favour by the dealing community.

In spite of the domestic recession, heavy financial burdens on the company sector, and a rising tide of bankruptcies, the Paris stock market this year has risen by more than 40 per cent. Some of the rise, it is true, simply represents a "catch-up" from the depressed years of 1981 and 1982. Many—but not all—of the stocks which have risen the most are also concentrated on export-oriented growth sectors shielded from domestic economic woes.

But one Paris stockbroker, looking back at the last 10 *months of rising* prices (and profitably buoyant dealing turnover), sums up the change of sentiment: "We have nothing to complain about since 1981. At first, when we read the Socialists' election manifesto, it was like a little Red Book—quite scaring. In fact the Socialists have learnt a very good lesson. Over the long haul, they seem to be looking at the market in the right perspective."

Whatever the controversies over the Government's overall economic policies, in three separate points they have benefited the stock market.

● The nationalisation of key banks and industrial companies last year deprived the bourse of some of its heavyweight stocks and wiped off overnight 10 per cent of bourse capitalisation. But in retrospect, the Government on the whole did shareholders a favour. Compensation terms were agreed, based on past equity values, which did not take full acount of the hidden losses of many of the companies involved, or of the financial effort need to pull them round.

● Tax incentives to stimulate investment in both equities and bonds have enlarged the measures already brought in under the "Monory Law" of the previous administration. Hardly surprisingly, the new measures have been criticised by many socialist deputies as giving undue privileges to investors. But they are seen on the bourse as proof that the Government is serious in its efforts to redirect savings towards the financial markets.

● Exchange controls on foreign investments, as well as fiscal and monetary measures which have drastically curbed demand for property and gold, have also —even if in a negative way—profited the bourse. Fund managers say that, with other investment outlets limited, even after this year's heady rise, the bourse may not yet be overbought.

Could the Government's wooing of the stock market culminate in the unthinkable—the handing back into private ownership of some of the companies so profligately nationalised last year?

The idea is clearly not feasible, either politically or technically, at the moment. But *the Government needs private* sector cash to fund state group's investment; some nationalised industry bosses say they like the idea of share quotation to give a market-oriented indication of financial performance; wider share ownership is at the root of the entire present strategy towards savings; and the Industry Minister has set 1985 as the deadline for the groups to break even, by which time (if all goes well—and it is clearly a big if) some parts of some groups could be floated.

Up to now, the right-wing opposition has made the running with promises to denationalise banks and industry after the next elections. But the Socialists have already taken the first faltering steps towards re-opening the state industries towards the bourse by allowing them to issue non-voting loan stock. It will be an intriguing question in the next few years whether the next move towards denationalisation will be made by a government of the Right—or the Left.

Letters to the Editor

Managing the engineering of massive projects

From the Chairman, Oil and Gas Group, British Consultants Bureau

Sir,—I have felt for some time like a small voice in the wilderness in the face of what appears to be the complacency of the Government and the oil producing industry in having secured for British industry in excess of 70 per cent of the investment cost for the UK Continental Shelf developments. Obviously the remaining 30 per cent which still goes to companies whose corporate and technical centres are outside the UK, is that portion that really matters if we are to gain a long term presence and real penetration of the offshore market-place overseas.

This 30 per cent includes most of the prime management effort required to manage the engineering of these massive investment projects. The conceptual design, the project management, the supervision of fabrication and the commissioning are all included and this work remains predominantly in the hands of overseas contractors. UK capability in this field is severely limited and there are too few opportunities to build up that expertise within UK companies.

While we have every confidence in our eventual success in the oil and gas industry in this country and overseas, we would like to see more encouragement, particularly from Government. The situation by comparison with companies in France and Norway is an indication of this. Governmental support would of course then lead to oil company support.

M. R. Duckett,
W. S. Atkins and Partners.
Woodcote Grove,
Ashley Road,
Epsom, Surrey.

The Windscale controversy

From Prof Edward Radford

Sir,—Your article of November 4 concerning the Windscale controversy has just reached me, and since it contains many errors I think the record should be set straight. I never submitted to the National Radiological Protection Board a sample of the house dust I had analysed from the Merlin house in Ravenglass, rather I submitted the results of my analysis to one member, Dr David Pearce, who passed my letter to Sir Frederick Dainton. I chose this approach in part because I did not want to raise the alarm unduly to Ravenglass residents, and I felt a more thorough investigation by an official body would be most likely to avoid that problem. Sir Frederick's quite inadequate reply made it clear that no further action would be taken by NRPB, beyond the meaningless air sampling for plutonium and americium that was being done in Ravenglass.

As was the case at the Windscale Inquiry six years ago, I reject as a basis for reassurance the argument that concentrations of radionuclides in any medium are at some very low percentage of the "international standards," because I have continued to stress that these standards are generally too high and do not adequately protect the public health. My professional credentials for reaching this judgment are at least as good as those of Dr Dunster or Sir Edward Pochin, the medical assessor at the inquiry. If the group of cancer cases along the south Cumbrian coast eventually are related to Windscale releases, it will be apparent who was right.

On the *Yorkshire TV* programme I agreed that exposure of 10 or more times background would be required to account for the Seascale leukemia cases. Such levels of exposure may have occurred over the years, in spite of the "intense monitoring" around Windscale, precisely because the "watchdogs" have repeatedly failed to recognise potential pathways for exposure of the large number of nuclides dumped into the Irish Sea to the local animal and human populations. Even Mr Justice Parker at the inquiry suggested that house dust in Ravenglass should be analysed but was dissuaded by NRPB staff. The uncontrolled nature of these avenues of human exposure is a major reason I have strongly opposed the massive sea dumping of radioactivity at Windscale, especially of elements with *half-lives of hundreds* of years or more.

The notion that the risk from plutonium and americium in house dust can be defined solely in terms of eating the dust is absurd. A major concern from these elements is inhalation of fine particles, especially if they are somewhat soluble, as americium salts are likely to be. The great mass of house dust consists of hairs and lint that cannot be inhaled. During cleaning or whenever dust is disturbed, the fine radioactive particles could be readily resuspended, and in this case only a very small amount inhaled or ingested could be significant. It is evident that the best way to reassure the public on this issue is to have measurements of total body and lung burdens of appropriate isotopes be made by a whole body counter. The expense to British taxpayers of a continuing surveillance of this kind is another example of a hidden cost of the "free" dumping in the Irish Sea.

Finally, who is really responsible for the fear now expressed by Mr and Mrs Merlin? Is it Yorkshire TV which chose to make public a situation which it, and I, believe is potentially a serious problem? Or is it the authorities who have permitted conditions to develop such that their bland assurances are so often belied by the facts?

(Prof) E. P. Radford.
Graduate School of Public Health,
University of Pittsburgh,
Pittsburgh,
PA15 261,
U.S.

The Berec takeover

From Mr J. Bassill

Sir, — I read with interest the article by Duncan Campbell-Smith (November 14) on the fortunes of Berec following its acquisition by Hanson Trust.

I was one of the executives who, like Mr Colin Stapleton, pondered on the future of Berec on Christmas Eve 1981. My personal professional integrity obliges me to underline that Berec was not totally abandoned by the City as your article suggests. While it is true that the institutional investors chose to accept a very tempting offer from Hanson, Berec's bankers continued without reservation to make substantial facilities available to it right up to the moment of takeover — all on an unsecured basis and to a level more than adequate for the company to meet all its obligations. At no time were these facilities in any doubt.

J. V. Bassill.
52, Hookhams Lane,
Renhold, Bedford.

Capital gains tax

From Mr H. Harrison

Sir,—I noted with a considerable amount of interest the letter from Mr S. W. Penwill (November 12) wherein he states *inter alia*: "The pitiful relief for inflation in the last budget has done little to alleviate the injustices of capital gains tax so far as investment is concerned. . . ."

I have been endeavouring for some years now to bring about the elimination of the harsh burden of CGT. I agree wholeheartedly with Mr Penwill's observations and sincerely trust that the Government will do something worth while to reduce, if not to entirely eliminate the tax which affects particularly the individual who has saved all his life only to find, in the autumn of his years, that he is taxed on something totally unreal.

H. Norman Harrison.
Newby House,
Southgate Circus, N14

The Calke estate

From Mr M. Taylor

Sir,—It was with some dismay that I read Colin Amery's article (November 14) concerning the possible break up of the Calke Estate.

As a Scout I camped on the estate on numerous occasions over a decade ago and have had memories of its thick woods and abundant wildlife. Returning to the area last year I found, almost to my surprise, that it was still unchanged and unspoiled.

I sincerely hope that the intransigence of the Treasury does not exclude the bodies concerned from coming to an arrangement befitting the grandeur of the Abbey.

M. A. Taylor,
1, Heath Drive, NW3.

Why aren't they millionaires?

From the Managing Director, Clement Clarke International

Sir,—In recent years, particularly during the recession, there have been many articles written in numerous journals, by academics, telling those of us in manufacturing industry where we are going wrong, and what we should be doing to put us on the road to Utopia.

What I fail to comprehend is why the writers are not millionaires, if the information they give provides the cure to all our ills?

G. E. Babb,
Airmed House,
Edinburgh Way,
Harlow, Essex.

FINANCIAL TIMES
Thursday November 17 1983

GREECE RULES OUT TRIPARTITE MEETINGS WITH TURKEY

Britain in talks on Cyprus crisis

BY STEWART DALBY IN LONDON AND ANDRIANA IERODIACONOU IN ATHENS

BRITAIN has embarked on a series of bilateral meetings to solve the Cyprus crisis after Greece expressed reluctance to enter tripartite talks, which would have included Turkey.

Talks will be held with, among others, Mr Spyros Kyprianou, president of Cyprus, who hinted yesterday that he would ask the United Nations to apply sanctions against the newly declared Turkish Cypriot state in North Cyprus.

The meeting will prepare for the projected United Nations Security Council debate on the unilateral declaration of independence by the Turkish Cypriot community.

The debate, called at the request of Britain and Cyprus, is expected to become the focus of the two countries' protest against the Turkish Cypriots' secessionist move.

Although Greece is unwilling to sit down with Turkey – a co-guarantor with Britain of Cyprus's independence – and discuss the matter, it has not broken off diplomatic relations.

It has, however, severed relations with Bangladesh, the second country after Turkey to recognise the declaration according to the Turkish Cypriot state, and has threatened to treat any other country affording recognition in a similar fashion.

Bangladesh disclaimed any knowledge of any diplomatic rupture, although Pakistan hinted that it might recognise the new state.

Yesterday, Sir Geoffrey Howe, British Foreign Secretary, saw Mr Rahmi Gumrukcuoglu, the Turkish ambassador, in London. Later he had talks with Mr Menios Kaoutsogiorgash, the Greek minister to the Prime Minister.

There were unconfirmed reports in Athens yesterday of an increased Greek military alert in its border area with Turkey. But the Government of Mr Andreas Papandreou seems bent on fighting the battle against the Turkish Cypriots with diplomatic weapons.

Today in London Mrs Margaret Thatcher, Prime Minister, and Sir Geoffrey are to meet Mr Kyprianou, who is on his way to New York for the Security Council debate.

Before leaving Nicosia, he told a press conference that the use of force should be ruled out.

Britain recognises that it would be politically difficult for Mr Papandreou's Government to sit down with the Turkish Government and had decided to focus its efforts on the UN and through bilateral talks try to isolate Turkey.

Turkish Cypriots might lose EEC benefits, Page 3

Renault to help boost van output at Czech factory

By Paul Betts in Paris

RENAULT Vehicules Industriels (RVI), the large commercial vehicles subsidiary of the French state-owned Renault car group, has signed an agreement in Paris to develop the production of light commercial vehicles and vans in Czechoslovakia.

RVI said yesterday that it would provide the technical assistance to the automobile industry union of Czechoslovakia to enable it to double its light truck production to 27,000 vehicles a year and to triple the production of truck engines to 40,000 units a year.

The French company will also cooperate in the production of 8,000 vans a year in the East European country, where it has been present since 1967. Saviem, which was later merged with the other French truck maker Berliet to form RVI under the control of the French state car group, signed a 10-year co-operation agreement with the Czechs in 1967. So far, up to 100,000 light trucks have been produced in Czechoslovakia under French licence.

Under the terms of the latest agreement to increase French collaboration and truck production in Czechoslovakia, RVI will be responsible for supplying the equipment to enable the increases in light truck and engine production. This equipment will be supplied by the Renault group and by other French machine tool makers for specialised parts.

The RVI light truck deal follows another important French co-operation agreement with Czechoslovakia. Alsthom-Atlantique, the large subsidiary of the French nationalised CGE electronics and engineering group, signed an agreement with Skoda involving the exchange of steam turbine technology.

Separately, Renault saw its share of the French car market fall to 34.7 per cent during the first 10 months of this year, compared with nearly 39 per cent of the domestic market last year, according to the latest French car industry registration figures.

These figures, which show an increase of 1.5 per cent to 19.5 per cent of the domestic market by the French private Peugeot group during the same period, confirm the continuing advance of foreign manufacturers on the French car market. The foreign makers' share of the market has now reached 32.6 per cent maintaining foreign penetration well above 30 per cent.

The French market last month continued to fall by 7.1 per cent compared with October 1982. In September there was also a 7 per cent drop in registrations. These declines, however, are generally less pronounced than had been expected in view of the French Government's austerity programme and its impact on automobile demand. For the first 10 months of the year, car registrations have declined by less than 1 per cent from the same period last year.

Brussels order on German Ford sales

By Paul Cheeseright in Brussels and Kenneth Gooding in London

THE EUROPEAN COMMISSION said yesterday that the distribution system for Ford cars in West Germany breached EEC competition rules and must be ended immediately.

The decision had been made because Ford-Werke had stopped supplying British customers in Germany with right-hand-drive cars, the Commission explained.

However, a Ford of Europe spokesman pointed out that the group had resumed the production and supply in Germany of right-hand-drive cars in September last year, after being instructed to do so by an interim order from the European Court of Justice.

The Court instructed Ford to produce 4,800 right-hand-drive cars for sale in Germany during the next 12 months – roughly equivalent to demand during 1981.

Ford-Werke was closed down yesterday because of a national holiday in Germany and Ford of Europe had received no communication from the Commission to explain the latest move.

However, some Ford executives guessed that the Commission had taken action to ensure that supplies of right-hand-drive cars continued to be available to UK customers in Germany

Commission officials indicated that if Ford-Werke agreed to sell right-hand-drive cars in Germany, the Commission would be prepared to look again at its decision about the distribution system.

The clash between the Commission and Ford dates back to May 1982 when Ford-Werke stopped supplying right-hand-drive cars – at that time up to 30 per cent cheaper (ex-tax) than in the UK. It said it was doing so to protect Ford dealers in Britain, who had invested heavily in sales and service facilities and whose position was being threatened by the unofficial imports from Germany.

Three months later the Commission told Ford-Werke to resume sales and this decision was upheld by the European Court of Justice.

When it comes, the Court's judgment will finally establish just how exclusive car manufacturers in the EEC can make their distribution systems.

Ford claimed yesterday that the number of orders taken for right-hand-drive cars by Ford-Werke since the Court's decision last September was only 1,663.

The change in parity between the pound and the D-Mark had made it less attractive for UK buyers to shop in West Germany, the company maintained.

For example, the European Bureau of Consumers' Unions, which has been consistently prodding the Commission to act to close the differentials in car prices within EEC countries, revealed recently that the price difference (net of tax) of a Ford Escort 1.3L between Germany and the UK narrowed from 57 per cent in June 1981 to 14 per cent in June 1983.

Volvo results up sharply, Page 17

British Aerospace wins $300m order from Californian airline

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

BRITISH AEROSPACE has won a $300m order from Pacific Southwest Airlines (PSA) of California for 20 of its four-engined BAe 146 regional jet airliners.

PSA has also taken paid options on another 25 aircraft, which, if converted to firm orders, would bring the total value of the deal to $750m, including spare parts and support equipment.

The deal, won in the face of tough competition, will also benefit U.S. companies and Saab-Scania of Sweden. The total U.S.-built content of the 146 is between 30 and 35 per cent, which is one of the main reasons why PSA ordered it.

Avco Aerostructures, of the U.S. makes the wings for the 146 under a risk-sharing agreement, and Avco Lycoming the ALF-502R-5 jet engines.

Saab-Scania makes the tailplanes and all movable control surfaces (elevators and ailerons), and Short Brothers of the UK the engine pods.

Other UK companies involved include Dowty-Rotol and Dunlop on the undercarriage and wheels, and Smiths Industries on flight-deck systems.

Delivery of the PSA aircraft is due during 1984 (eight aircraft) and in 1985 (12). Production, which is running at one aircraft a month, will be raised to two a month next year.

The deal, announced yesterday in London and San Diego, where PSA is based, is the biggest civil aircraft order won by BAe since its predecessor, British Aircraft Corporation, won an order for 25 of the original One-Eleven twin-engined jet airliners from American Airlines in 1963.

The order will secure continuity of employment at the BAe's Hatfield division, where the 146 is assembled, from parts made throughout the BAe group.

The BAe 146 is a private-venture project by the group, with no UK Government launch aid involved. Several hundred million pounds have been committed by BAe and its U.S. and other partners on the programme, in anticipation of big orders. The break-even figure is set at several hundred aircraft.

BAe thus still has a long way to go before making money on the 146. But it believes further orders will come soon.

The latest deal brings total firm orders for the BAe 146 to 38 aircraft, with another 45 on option. The aircraft is already in service with the Royal Air Force; Dan-Air, of the UK; Air Wisconsin, a U.S. regional airline; and Air Mali.

The deal is likely to open the door to further contracts from U.S. regional airlines, which have expanded rapidly in recent years, and which are looking for a new, small aircraft with which to grow further.

The PSA jets will be of the Series 200 version, each seating up to 100 passengers. The airline will use the 146 progressively to replace its fleet of bigger Boeing 727-200 tri-jet airliners.

This will enable it to offer increased frequencies of flights, with the prospect of improved payloads, on its growing structure of short-haul routes throughout California and adjacent states, and Mexico.

PSA is ranked as the 13th largest airline in the U.S. carrying more than 8m passengers a year.

Netherlands buys more F-16s

BY WALTER ELLIS IN AMSTERDAM

THE NETHERLANDS Government is to buy a further 57 General Dynamics F-16 multi-role combat aircraft in a deal worth Fl 2.4bn ($800m).

Assembly will be undertaken by Fokker, of the Netherlands, which is already more than halfway through an existing programme involving 213 F-16s for the Dutch air force and 78 for Norway. A follow-up order from Oslo is also expected, for 24 aircraft valued at Fl 1bn.

The latest order was foreseen when assembly of the U.S.-designed fighter began outside Amsterdam in 1978. The new aircraft will replace existing Dutch versions of the Northrop F-5 fighter-bomber, which are obsolescent.

Even so, the announcement, made yesterday to the defence committee of Parliament in The Hague, still came as something of a surprise. The centre-right Government of Mr Ruud Lubbers has proved exceptionally cost-conscious since taking office a year ago, and preparation of the 1983-84 defence policy document has been held back largely because of arguments over spending.

In addition, 700,000 public-sector workers are currently in dispute with the Government over a planned 3 per cent reduction in their pay from January 1. The FNV trade union federation, which is leading the fight against the cuts, opposes increased defence spending and would like to see Fokker being encouraged to develop its civil aircraft side further.

"A little bit cynical" was how one union spokesman described the latest order.

For Fokker, which had a difficult year in 1982 but has recovered substantially since, the new contract is obviously good news. Some 1,300 of its 8,200 employees are involved in F-16 production and the programme is an important part of the company's overall activity. Existing orders for the General Dynamics aircraft would have kept the assembly line going until 1986. Now production will continue into the 1990s.

Four fifths of the value of the deal will be accounted as Dutch, so that about Fl 1.8bn will remain within the Netherlands. The previous F-16 order was offset against Dutch materials and expertise to an extent of 57 per cent.

New EEC steel quotas held steady

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission has set provisional product quotas for the EEC steel industry for the first quarter of next year that correspond broadly with the quotas for the current quarter. That reflects the assessment that there will be little or no improvement in demand over the next few months.

The application of the quotas after the end of next January depends, however, on the EEC Council of Ministers accepting an extension of the present production control system. The council has agreed in principle on an extension but has not decided on its terms.

Of the product categories, quotas for rolled coil and sheet, reversing mill plate, and wide beams and sections reflect the Commission's decision on Sunday to introduce minimum price controls after consulting industry and governments.

Steel executives had been expecting that the Commission would seek to correct instability in the market for flat products.

In contrast to this movement there are small increases in wire rod and merchant bar quotas. That section of the market has not been harmed by price discounting. The large state-owned steel producers in the EEC are not seen as being strong in the wire rod market, but the smaller concerns in the Brescia region of Italy are.

Attempts to save cartel, Page 2

EEC STEEL PRODUCTION QUOTAS
(thousands of tonnes by quarter)

	1/83	2/83	3/83	4/83	1/84
Hot rolled coil	3,465	3,673	3,881	3,963	3,963
Hot, cold rolled sheet	2,770	3,289	3,366	3,320	3,320
Galvanised sheet	780	884	842	849	826
Other coated flat products	600	684	656	718	697
Reversing mill plate*	1,118	1,185	1,118	1,116	1,113
Wide beams, sections*	1,032	1,120	1,175	1,230	1,133
Wire rods	2,310	2,426	2,220	2,323	2,399
Reinforcing bars	1,640	1,761	1,770	1,822	1,761
Merchant bars	2,225	2,262	2,196	2,103	2,174

* Up to the 1983 fourth quarter, quotas were a voluntary arrangement among the producers

Opec planners divided over oil price plan

Continued from Page 1

barrels a day, which other members regard as its allocation under Opec's production-sharing agreement.

Saudi Arabia wants to stimulate demand for Opec through price moderation. The kingdom's attitude reflects its determination to prolong world dependence on its substantial reserves until well into the next century.

Kuwait is believed to support Saudi Arabia. After the meeting, Sheikh Ali Khalifa al Sabah, Kuwaiti Minister of Oil, acknowledged that there had been differences.

The position of Iraq, another member represented on the committee, was not immediately clear.

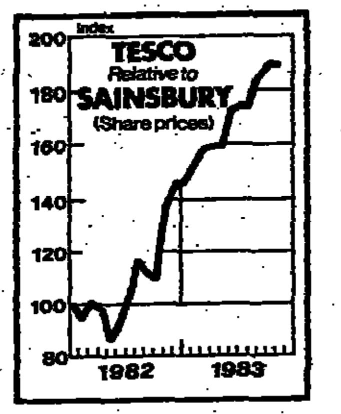
THE LEX COLUMN

Tesco takes the strain

The relative strength of Tesco's shares over the last year or so has been a fair reflection of the group's evident determination to get back on terms with its more profitable competitors. But the market is justly nervous that the restructuring costs involved are going to restrain its current performance for some time yet. Only a small disappointment over yesterday's interim pretax profits, up from £20.1m to £25m, was therefore sufficient to knock the shares down 9p to 169p.

More than half of the pre-tax improvement has sprung from a reduction in the net interest bill. Tesco appears to have pushed a disproportionate part of its planned £100m capital spending programme for 1983-84 into its second half and liquidity has been increasing rapidly. But at the trading level, heavy store refurbishment costs have contributed to a 26 per cent jump in depreciation. This and the continuing reorganisation of its distribution network are the main factors behind a fall in the net trading margin, from 2.38 to 2.28 per cent, representing trading profits of £26m on net sales of £1.14bn, up 13.7 per cent.

There are still plenty of signs of a brighter future for Tesco, not least the gains being made in productivity: real sales volume per the equivalent of each full time employee has climbed 8 per cent in this half, which compares with 2 per cent at Sainsbury. In the meantime, though, the squeeze on Tesco's trading profits – not to mention a pardonable concern over whether Tesco has really picked the right strategy at last – seem likely to put the brakes on its share performance. At 169p, the shares yield a prospective 3.6 per cent.



Autumn statement

In sharp contrast to recent years the stream of encouraging news about the economy could make this afternoon's UK budget statement one that the Chancellor of the Exchequer can actually relish giving. We already know that he is armed with a Treasury forecast showing that GDP is supposed to be growing at a real rate of 3 per cent. The latest set of unemployment figures give him the ammunition to argue that the labour market has at last turned. And on the inflation front the projection will give him room to crow over the ranks of forecasters who until very recently had been dismally cranking out rates of 6 per cent and rising for the current quarter.

But all this does not mean that he is without problems. At this stage of the cycle, the City of London will be looking for evidence that this Chancellor can avoid the mistake committed by most of his predecessors in pouring petrol on the flames of a recovery that seems to be taking a firm hold on its own. There is already concern that the monetary and fiscal climate has been overloose for many months past with spending still ripping ahead. So the gilt-edged market, at least, will take nothing for granted when it weighs up the proposed stance for the coming year.

A critical factor is the way that asset sales are brought into the calculations. A planned PSBR for next year of £8bn is not as stringent an objective after £3bn of asset sales as after £1½bn, and the difference amounts to a loosening of the fiscal stance, unlikely to go down well in the City. Yet the possibility of a covert increase in indirect taxation, via the gas and electricity tariffs, seems a less than efficient way to keep the books straight, and would scarcely be popular with the Confederation of British Industry, the employers' organisation.

Cable & Wireless

STC set a precedent for telecommunication companies catching the UK stock market on the hop. Cable and Wireless seems eager to maintain the tradition. After last year's shockingly good performance the 16 per cent pre-tax increase in the six months to September to £80m represents a marked slowdown. The shares, weak in recent months on worries about Hong Kong's future, shed a further 21p yesterday to 282p. But given some of the one-off elements which flattered last year's outcome, the underlying trends look fairly stable.

The volume of traffic is up 15 per cent overall, but the fall in the Hong Kong dollar has held back turnover. The negative currency effect has also been a brake on profits from this source in spite of another good performance in local terms.

The other main drag was the timing of work on the Saudi National Guard project, where profits were lower than in recent half-year periods.

By contrast there were strong gains in the western hemisphere, in particular the Caribbean, partly due to the strength of the U.S. dollar. The UK Government's new-found enthusiasm for communicating with the Falklands has also provided a powerful boost.

In the current half the Saudi contribution should be much higher, so the company is on target for a full year outcome comfortably in excess of £180m. The prospective p/e, on a 38 per cent tax charge, is about 11½, which leaves scope for recovery in the share price once the Government's stock disposal is out of the way.

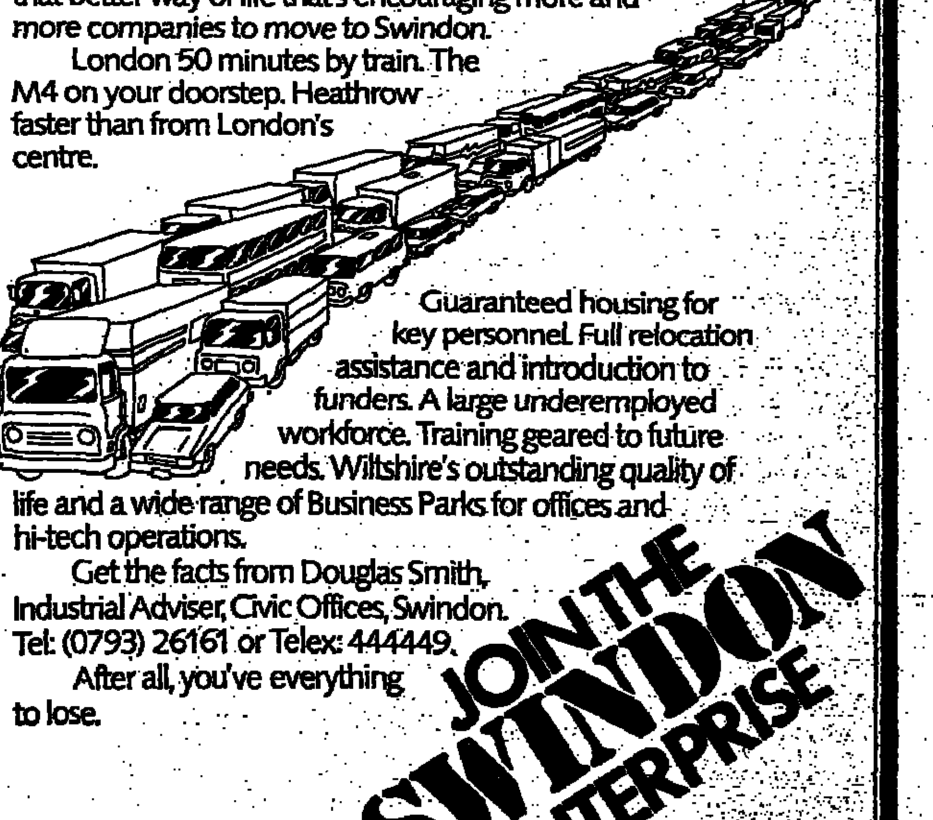
London & Liverpool

Bad publicity has helped to kill national advertisers' interest in public-house video outlets stone dead this year. However much of this can properly be blamed on London and Liverpool Trust, the company has certainly been knocked sideways by the consequent loss in its first half of a new business line which probably contributed about £5½m to pre-tax profits in 1982-83. Interim pre-tax profits for the half-year to September have fallen from £2.5m to £1m, and would have been worse but for a £3m provision prudently set aside for the video business last year.

The fact remains that LLT has made £1m on £19.6m of office equipment sales, and that is after spending £2.0m on new salesrooms in London and elsewhere. It has been the largest distributor of facsimile machines in the UK since March, and has even installed 300 of its new-fangled jukeboxes in recent months.

In short, the quality of LLT's earnings is no better and little worse than it was last year.

But after a year of ghastly mishaps, the stock market has a better view of the thin air underpinning some of its entrepreneurial ventures. What it still does not have, more ominously, is a better view of LLT's hard-pressed balance sheet.



World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	17	63	Dubrovnik	F	11	52	Malaga	C	18	64	Salzburg	C	4	39
Akrotiri	F	22	72	Faro	F	20	68	Malta	F	22	72	Seoul	R	8	46
Algiers	F	26	79	Florence	F	9	48	Manila	S	32	90	Singapore	R	29	84
Amsterdam	F	8	46	Frankfurt	C	3	37	Miami	C	27	81	Stockholm	C	0	32
Athens	F	18	64	Funchal	F	20	68	Milan	S	4	39	Strasbourg	F	7	45
Bahrain	S	27	81	Geneva	C	4	39	Moscow	S	-4	25	Sydney	S	25	77
Bangkok	C	32	90	Gibraltar	F	20	68	Munich	C	3	37	Taipei	C	20	68
Barcelona	F	16	61	Guernsey	C	8	46	Nairobi	—	—	—	Tangier	C	19	66
Beirut	S	25	77	Helsinki	Sn	-2	28	Naples	C	12	54	Tehran	—	—	—
Belgrade	S	4	39	H. Kong	S	25	77	New Delhi	S	27	81	Tel Aviv	S	26	79
Berlin	Fg	5	41	Innsbruck	S	7	45	New York	R	10	50	Tenerife	R	21	70
Biarritz	C	9	48	Inverness	C	9	48	Nice	S	14	57	Tokyo	S	17	63
Blackpool	C	9	48	Istanbul	S	7	45	Oporto	C	6	43	Toronto	R	5	41
Bordeaux	S	9	48	Jersey	C	9	48	Oslo	S	4	39	Tunis	S	22	72
Brussels	C	7	45	Jo'burg	S	23	73	Paris	C	8	46	Valencia	R	14	57
Budapest	C	3	37	Las Palmas	C	21	70	Prague	Sn	2	36	Venice	S	5	41
B. Aires	C	22	72	Lima	S	21	70	Reykjavik	C	6	43	Vienna	F	6	43
Cairo	C	27	81	Lisbon	F	13	55	Rio de J'o	R	35	95	Warsaw	C	1	34
Cape Town	—	—	—	Locarno	S	4	39	Rome	C	11	52	Zurich	S	3	37
Caracas	C	28	82	London	R	8	46								
Casablanca	C	21	70	Los Angeles	C	25	77								
Copenhagen	S	6	43	Luxembourg	C	5	41								
Corfu	S	17	63	Madrid	C	14	57								
Dublin	C	7	45	Majorca	C	20	68								

Readings at mid-day yesterday.

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

$335m fibre-optic cable go-ahead

BY JASON CRISP IN LONDON

A GROUP of 28 of the world's leading telecommunication authorities decided yesterday to go ahead with laying the first transatlantic submarine cable using optical fibres: hair-thin strands of pure glass. The project will cost $335m.

American Telephone and Telegraph (AT&T), the largest single owner of the new cable, with a 35 per cent stake, will also be the largest cable supplier, with orders worth $250m. Britain's Standard Telephones and Cables (STC), the world's largest supplier of submarine telecommunications cables, has won orders worth $52m.

Submarcom, a French consortium, has orders worth $33m. All the orders are subject to contract.

British Telecom will be the second largest owner, with about 15 per cent, which will cost $50m.

The new cable, called TAT-8, is expected to be ready in 1988 and will be capable of carrying the equivalent of 8,000 telephone calls on two pairs of optical fibres. That could be increased to 40,000 using special electronic techniques, later.

For political and technical reasons, the cable will use three different systems supplied by the three companies that bid for the contract. Each system will be linked at a junction box on the ocean floor. AT&T's stretch is 3,150 miles. STC's link will be 283 miles from the junction box to Cornwall, and Submarcom's link will be 170 miles from the junction to Brittany.

The decision avoids argument over whether the cable is terminated in France or the UK. (The most recent transatlantic submarine cable, TAT-7, terminates only in the UK.) The decision also gives the British and French companies the prestige of providing a complete system.

TAT-8 will be the first important undersea cable to use optical-fibre technology.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday November 17 1983

Cars boom helps Volvo to 66% nine-month gain

BY KEVIN DONE IN STOCKHOLM

VOLVO of Sweden, Scandinavia's largest industrial corporation, boosted its profits by 66.5 per cent in the first nine months of the year, helped by record car sales. The surplus jumped from SKr 1.9bn ($240m) to SKr 3.2bn before tax.

Earnings in the third quarter, traditionally the weakest because of seasonal factors, virtually doubled to SKr 793m from SKr 408m in the same period of 1982. Earnings per share in the first nine months jumped to SKr 41.70, compared with SKr 26 a year earlier.

Group sales jumped by 39 per cent to Skr 71.5bn. About half the increase was derived from exchange-rate changes.

Volvo has diversified rapidly in recent years, into areas ranging from food to pharmaceuticals. At the end of September its liquid funds had risen to SKr 10.9bn.

The group's improved profitability this year has come despite heavy losses accumulated by Scandinavian Trading Company (STC), its oil trading and oil and gas exploration and production subsidiary, and despite the falling profitability of its truck manufacturing operations.

STC, which had to be rescued by the Volvo parent company last month, is expected to run up a loss of SKr325m – SKr375m this year.

Volvo's car operations, which took over last year from the truck division as the main generator of group profits, have further strengthened their position with a 50 per cent increase in sales to SKr 18.8bn.

Volume sales rose by 13.6 per cent to 267,000 cars and Volvo claims to have increased its share of most markets. Profitability in the car division has been enhanced both by the higher volume sales, leading to a better use of plant capacity, and by continuing favourable exchange rates.

By contrast, volume sales of Volvo trucks have fallen. Orders at the end of September were lower than a year earlier, sales virtually stagnated at SKr 7.6bn in the first nine months – a rise of just 4 per cent – and profits dropped sharply under the pressure of severe price competition.

Despite the problems affecting several of the world's leading construction equipment manufacturers, Volvo succeeded in increasing volume sales in this sector in the first three quarters of the year, holding profitability at last year's levels. It has now completed its withdrawal from the manufacturing of agricultural tractors. Sales rose by 19 per cent to SKr 1.8bn.

Turnover of industrial and marine engines rose by 41 per cent to SKr 1.5bn, helped by strong demand in the Middle East and North Africa respectively, while sales of Volvo's food processing subsidiaries increased by 40 per cent to SKr 3bn.

The group's energy subsidiaries increased their sales by 50 per cent to SKr 33.9bn but the rise was accompanied by a drastic jump in losses on oil trading and from STC subsidiary Scandrill's oil and gas production in the U.S. Volvo is seeking to dispose of Scandrill.

Texaco buys Dome resources in U.S.

By Robert Gibbens in Montreal and Nicholas Hirst in Toronto

DOME PETROLEUM of Canada has sold most of its remaining U.S. oil and gas properties to Texaco under a management agreement reached between the two companies. No sale price was revealed.

The troubled Calgary-based oil and gas group continued its recovery in the third quarter with net income of C$10.3m (U.S.$8m), against C$2.2m in the corresponding period last year. Revenue was C$610.2m compared with C$631.5m. Nine-month losses were reduced from C$101m to C$68.5m.

Dome built up a major package of U.S. properties as a diversification move during the 1970s and added to them with the acquisition of Hudson's Bay Oil and Gas in 1981. It was this major acquisition which precipitated Dome's financial crisis a few months later, when international oil prices dropped sharply, reducing the values of oil and gas resources still in the ground.

Analysts believe the deal with Texaco, which excludes Dome's interest in an ethane pipeline in the U.S., will be approved by both companies' shareholders.

However, they do not believe Dome will get the full estimated net book value of around C$400m.

Dome disposed of some of its U.S. interests when it sold a package of HBOG international properties to a subsidiary of Allied Chemical of the U.S. in 1982 for around $450m.

Dome wrote off more than C$200m from the value of the U.S. properties in 1982 and a further C$98m in the first half of 1983.

As a result of its improving financial position the company intends to present its bankers with a new plan to solve its difficulties on December 1.

Dome, which was on the verge of bankruptcy, was forced to approach its bankers last year for a rescue. Under a plan agreed in principle in September 1982, its four main Canadian lenders and the federal Government agreed to inject C$500m each into the group, and extend its loans over 10 years. Dome has been looking ever since for a new plan which would reduce the share dilution involved in the original proposals.

The company has warned that it might have to make a writedown on the value of its non-petroleum assets in the fourth quarter.

More U.S. stores groups report profits increase

BY OUR FINANCIAL STAFF

SIX MORE U.S. stores groups have reported sharply higher quarterly profits, continuing the trend set by K mart and J. C. Penney.

Allied Stores, which operates 533 stores in 44 states, boosted net income for the three months to October 29 *from $12.6m or 61 cents a* share to $19.2m or 92 cents.

Nine-month earnings were $48.3m, or $2.32 a share, against $20.1m or 98 cents in 1982, when a $3.6m non-taxable gain was included. Revenues rose from $2.13bn to $2.44bn, with $883.3m coming in the latest quarter, against $789.1m.

R. H. Macy, which operates 92 stores in 13 states, lifted net earnings for the first quarter ending October 29 from $34.5m or 69 cents a share to $42.9m or 85 cents. Sales jumped from $796m to $929.4m.

Dayton Hudson, the Minneapolis-based department and clothing store group, reported record revenues and earnings for its third quarter and nine months ending October.

Earnings from continuing operations rose to $44.3m or 46 cents a share in the quarter, against $38.1m or 40 cents, on revenues up 22 per cent to $1.66bn from $1.36bn.

In the latest *period earnings from* discontinued operations made a final net of $44.5m, compared to $38.9m.

For the nine months, net earnings from continuing operations were $101.3m or $1.05 a share on revenues of $4.58bn, compared with $80.8m or 84 cents on revenues of $3.73bn. The final net rose to $103.3m or $1.07 a share against $87m or 91 cents.

May Department Stores, which operates 142 department stores nationwide, also reported sharply higher sales and earnings. In the latest quarter net earnings were $35.4m or $1.23 a share on sales of $1.02bn, compared with $26.7m or 92 cents on sales of $885.7m.

This lifted May's nine-month net earnings to $86.5m or $3 a share, against $58.8m or $2.02 in the 1982 period. Sales rose from $2.41bn to $2.78bn.

Associated Dry Goods, the New York-based department and discount *stores company, lifted third*-quarter net profits from $8.2m or 45 cents a share to $14.3m or 72 cents. Nine-month earnings rose from $13.9m or 76 cents a share to $35.1m or $1.82. Sales in the nine months advanced from $2.09bn to $2.43bn, with a sharp rise from $744.1m to $905.3m in the latest quarter.

Zayre, the Massachusetts-based operator of discount department stores and clothing shops, boosted third-quarter net profits from $11.8m or 76 cents a share to $17.6m or $1.02, on revenues up from $555.8m to $659.6m.

Nine-month earnings doubled from $16.4m or $1.17 a share to $33.1m or $1.92, on sales up from $1.47bn to $1.75bn.

Munich Re expects to maintain dividend

By Jonathan Carr in Bonn

MÜNCHENER Rückversicherung (Munich Re) is heading for another profitable year, almost certainly allowing it to pay an unchanged 18 *per cent dividend on increased* share capital.

Herr Horst Jannott, executive chairman, gave a warning that there would be further losses on the company's reinsurance business and only modest growth in premium income in the financial year ending June 30, 1984.

Continued profits from Munich Re's "general business," primarily income on investments with a current book value of more than DM 10bn ($3.74bn), should more than cover the shortfall.

The annual report for 1982-83, now released, shows growth of premium income rising by just 5 per cent to DM 9.6bn but reinsurance losses surging to DM 370m from DM 248m a year earlier.

As in 1981-82, the loss was mainly a result of worsening results from the broad bulk of reinsurance business, not just from one or two particularly large claims. Munich Re complains that fierce competition continues to present a rise in premiums sufficient to cover increased risks.

Premium income from abroad (nearly half the total) rose by only 4 per cent against 22 per cent a year earlier, mainly because of setbacks in the transport and life insurance sectors. The rise in the D-Mark also depressed the value of foreign business expressed in the West German currency.

At home, premium income was up by 5 per cent against 10 per cent previously. The lower rate of growth was attributable above all to a drop in fire insurance income.

Profits from the non-reinsurance *side increased sharply to DM 434m* from DM 332m. After strengthening reserves, Munich Re recorded a net profit of DM 35.2m

Rome plans rescue fund for Italy's troubled sugar refiners

BY JAMES BUXTON IN ROME

THE ITALIAN Government is to set up a finance company to help rescue private sector concerns in the sugar refining industry which are in difficulties. Parliament should today start examining the bill authorising the company, which will be empowered to spend L240bn ($150m) by 1985.

The sugar refining industry is in crisis and owes about L150bn to beet sugar producers. Though Ital*ian sugar beet production grew* steadily from the late 1960s until 1981, the industry in general did not invest enough in new plant and productivity and efficiency dropped.

The crisis became acute last year when farmers, not having been paid for their crops, sharply cut beet sugar acreage and output, thus further weakening the position of many of the refiners. Drought also had a serious effect on output.

The most seriously affected is the Montesi group, the country's second biggest sugar producer after Eridania. Montesi owes at least L87bn to beet sugar farmers. Discussions are going on over the possibility of its being put into controlled administration – a form of receivership.

The proposed finance company, which would be called RIBS (Societa per il Risanamento delle Imprese Bieticolo-Saccarifere) will be able to take equity participation in the *companies which need help*

Agreement reached in Kaiser Steel battle

BY OUR NEW YORK STAFF

THE LONG battle for control of the Californian-based Kaiser Steel group appeared to be moving towards a conclusion last night after agreement was reached between an acquisition group led by Mr Joseph Frates of Tulsa and Perma Resources of Colorado.

The Frates consortium had faced a tussle with Perma after its $374.4m bid had been accepted by the steel group. Perma subsequently indicated that it was planning a more generous tender offer, but the two sides then tried to arrange a deal before the December shareholders' meeting called to consider the Frates offer.

Yesterday's announcement suggests that the two parties have decided to share control of Kaiser, while expanding its assets by the transfer of 50 per cent of Perma's coal properties to Frates.

The deal is contingent upon the Frates acquisition proposals being accepted by Kaiser shareholders. If they vote for the offer, the Frates group has agreed to transfer 50 per cent of Kaiser's common stock to Perma.

Perma is also contributing, over a 25-year period, 25m tons of coal supplies, derived from a new agreement between the company and Southwestern Public Service.

Kaiser suffered operating losses of $17.3m over the first nine months

Continental Steel reduces deficit

By Our New York Staff

CONTINENTAL Steel of the U.S., formed 18 months ago by the merger of Penn-Dixie Steel with Penn-Dixie Industries, reported a reduced third-quarter loss of $2.9m against $3.9m, and an increase in sales from $26m to $28m.

Over the first nine months of the year, losses have amounted to $8m against a deficit of $13.5m from continuing operations last year. But the group lost a further $7m from discontinued operations in the period last year, arriving at a final defi*cit of $18m after a gain of $2.5m* from the favourable settlement of certain liabilities incurred during the reorganisation.

Rumasa audit shows deficit of Pta 257bn

By David White in Madrid

THE CONSOLIDATED audit of the Rumasa group ordered by the Spanish Government shows a negative net worth of Pta 257bn ($1.67bn) at the time the concern was expropriated in February, according to government sources.

The main figures from the audit, which was presented to Sr Miguel Boyer, the Finance Minister, earlier this week, have been leaked just as the country's constitutional court is preparing its reply to an appeal against the Rumasa expropriation decree.

Its verdict is expected by the end of next week.

The report drawn up by accountants Arthur Andersen is understood to leave room for a possible increase in the deficit figure, depending on the size of Rumasa's debt to the social security and tax authorities, which has yet to be determined.

Arthur Andersen, which has been acting as co-ordinator for 16 firms working on different branches of the group, was engaged in an uncompleted audit before the expropriation.

The Socialist Government's showdown with Sr Jose Maria Ruiz-Mateos, the former Rumasa chairman, came after the auditing firm's work had been suspended in December.

Record loss for Victor Technologies

By Louise Kehoe in San Francisco

VICTOR TECHNOLOGIES, the California-based small business computer manufacturer, has reported record losses of $36.9m for the third quarter ended September 30. Losses for the same period last year were $1m.

Revenues for the quarter totalled $46.1m compared with $8.5m.

Victor, which has laid off 1,650 workers since August, said the losses included a $6m provision for doubtful accounts and $8.1m for reorganisation expenses, including the cost of consolidating operations at the company's Scotts Valley headquarters.

The company said the losses result from its inability to reduce on a timely basis expense levels previously established in anticipation of revenue levels not reached. U.S. sales fell off significantly beginning in August as a result of the compa*ny's well-publicised financial* troubles.

Despite these problems, Victor's computers continue to sell well in Europe, according to the company.

Sea Containers to cut losses with ship sale

BY OUR NEW YORK STAFF

SEA CONTAINERS, the U.S. container and ship leasing group which also owns the Orient Express train, is to dispose of all 21 ships in its small container fleet because of losses currently running at $1m a month.

The group said it would make a provision not exceeding $23m in its fourth quarter to cover both operating losses over the period of the sale and any deficit on book value.

Despite this charge against profits, it did not expect to make a net loss for the full year. Over the first nine months, net profits before preferred dividends of $10.6m amounted to $18.6m on revenues of $168m. Earnings were $6.7m in the third quarter (before preferred dividends of $3.5m) on revenues of $60.8m.

In the comparable nine months last year earnings were $33.5m on revenues of $161.3m, and in the quarter $8.8m on revenues of $54.8m.

Sea Containers' disposal plan will leave it with a fleet of eight larger container vessels, which represent around 70 per cent of its present capacity and about $100m of the $150m book value of its total shipping fleet. Over the last two years, it has sold several ships at a net gain over book values, but now wants to dispose entirely of the smaller vessels "in an orderly manner."

Mr James Sherwood, chairman, said the group's remaining ships were currently employed at satisfactory rates. But the company indicated later that its intention was to concentrate expansion on its container leasing operations and leisure division, rather than shipping.

Two U.S. banks set to agree cash card deal

BY PAUL TAYLOR IN NEW YORK

MANUFACTURERS Hanover Bank and Chemical Bank, two of the biggest banking groups in the U.S., are expected to announce later this week an agreement under which customers of either bank will be able to use their cash cards in the automatic teller machines of both.

The scheme is also expected to involve initially up to six other banks in New York State and may then be extended across state boundaries.

Under the terms of the deal, any bank customer with a cash card belonging to one of the participating banks in the group will be able to use the teller machines of other group members.

As such, the initial scheme could pose a competitive threat to Citibank, which has the largest number of automatic teller machines in the New York area – around 550, compared with fewer than 230 at Manufacturers Hanover and Chemical combined.

If the scheme is extended across state boundaries – for example, to include banks in New Jersey and Connecticut – it would also represent a further erosion of existing U.S. inter-state banking restrictions.

A number of major U.S. banks, and a large group of smaller banks, are already members of national interstate automatic teller machine banking networks. Manufacturers Hanover, for example, is already a member of the Cirrus group, which links teller machines of 619 participating banks. In addition, there are an estimated 200 or more local and regional networks.

Linde orders down

BY JOHN DAVIES IN FRANKFURT

LINDE, the West German engineering group, has been hit by a sharp drop in orders for large-scale process plant, but has offset much of the decline with improved orders for other equipment.

In the first nine months of this year, process plant orders fell 41.2 per cent to DM 421.8m ($157.6m), compared with the same period last year. But the group received increased orders for gases, materials handling, and refrigeration and energy equipment.

Total orders showed a net 10.4 per cent decline to DM 1.8bn.

Linde said profits this year would be lower, but still satisfactory. Sales revenue was up by 2.4 per cent in the first nine months at DM 1.98bn and the group expects to finish the year with revenues ahead of last year's total of DM 2.5bn.

Linde last year maintained its dividend at DM 9 per DM 50 share for the fourth year in succession.

The company said that this year the West German engineering industry as a whole had booked fewer orders, largely because of poor export markets. This was particularly the case with large-scale process plant orders.

Itel warns on 1983 revenues

By Our Financial Staff

ITEL, the railcar and container leasing company which emerged from Chapter 11 bankruptcy protection in September, reported a $3.2m loss on continuing operations in the third quarter, against net income of $3.5m.

The company also warned that 1983 revenues would be significantly below the figure projected in its reorganisation plan last year, because its remaining operations have benefited later than expected from increased economic activity.

Itel filed for protection under Chapter 11 in January 1981 after the collapse of its computer leasing business. Projections prepared in August 1982 indicated 1983 revenues would exceed $200m, based on a sustained economic recovery, beginning late in 1982.

The company now says rail and container operations did not reflect the recovery in the economy until the third quarter of this year. The latest quarter was the last in which results would reflect the effects of Chapter 11 – sizeable interest income combined with greatly reduced interest expense.

Income from discontinued operations was $2.5m in the latest quarter, making a final net loss of $700,000. This compares with a final net profit of $8.7m in the 1982 quarter, which includes $1.1m income from discontinued operations and a $4.1m extraordinary tax credit.

Esmark's debt for equity swap

By Our New York Staff

ESMARK, the Chicago conglomerate, has completed one of the biggest debt for equity swaps in the U.S. financial markets, exchanging $117.9m of 8¼ per cent promissory notes due 1997, and held by the Prudential Insurance Company of America, for 1.3m shares of Esmark common stock.

The shares have been offered for sale at a price of around $82 per share.

GEC unit plans big Bangladesh share issue

By John Elliott in Dhaka

THE largest share issue to be floated on the Dhaka stock exchange will be launched next May by General Electric of Bangladesh, subsidiary of GEC of the UK.

The issue will total 5.6m takas ($207,000) and will help finance a second GEC factory in the country, costing 20m takas, to produce room ceiling fans. It will also reduce the shareholding of the Bangladesh Government from 40 per cent to 30 per cent while introducing the Bangladesh public to the company for the first time with a 27 per cent stake alongside a controlling 60 per cent British stake.

The Government has held 40 per cent for the past 10 years after nationalising the holdings of former West Pakistan owners during the creation of Bangladesh. The reduction of is stake is in line with its policy of reducing its role in traditional private sector areas.

Thai bank offering

By Our South-East Asia Correspondent

SIAM COMMERCIAL BANK, one of Thailand's leading banks, yesterday became the second bank this month to announce an increase in authorised capital through the issue of new shares.

The increase, from 300m bahts to 400m bahts ($17.5m) follows a decision two weeks ago by Thai Farmers Bank, the country's third largest commercial bank, to quadruple its capital from 1bn baht to 4bn baht.

Mitsubishi Motor profits fall by 51% in first half

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

MITSUBISHI Motor Corporation, Japan's fifth largest car maker, has reported a sharp drop in profits for the first half-year ended September 30. Pre-tax recurring profits fell by 51.3 per cent to Y6.18bn ($26.3m) because of higher labour costs and unfavourable foreign exchange movements.

Sales in the six months rose by 6.9 per cent to Y557.2bn. However, sales of normal and medium-sized passenger cars dropped by 52,000 units from the previous year's 288,000. The decline was partially covered by increasing sales of trucks and buses.

Mitsubishi attributes the poor car sales performance to the fact that two models were on the point of replacement. New models of the Galant and the Mirage, introduced in August and October respectively, are claimed to have contributed to a sharp sales recovery.

On the strength of its model changes, Mitsubishi forecasts full-year sales of Y1,170bn (up 10 per cent on last year's level). Pre-tax recurring profits for the year are expected to reach about Y15bn.

Suzuki Motor, a specialist in small cars and one of Japan's big four motor cycle manufacturers, reports that recurring profits for the six months to September fell by 28.7 per cent to Y4.5bn. Sales were down 5.1 per cent to Y252bn.

Orient Finance midway decline

BY YOKO SHIBATA IN TOKYO

ORIENT FINANCE, Japan's second largest consumer finance company, suffered a 53.9 per cent drop in its unconsolidated net profits to Y2.2bn ($9.5m) for the half year ended September 30, thanks to provisions of Y1.9bn set aside to guarantee the debts of its affiliated company, Finance Business Services. Parent company earnings per share fell to Y7.58 on 293.7m shares outstanding from Y25.54 on 189.2m.

At the pre-tax level, however, the parent company showed a 12.2 per cent gain in the period on revenues that rose 42.2 per cent to Y75.6bn.

During the half year, the company opened 11 new outlets to make a total of 176 outlets, and installed 81 cash dispensers.

Full year revenues are projected at Y165bn, up by 39.6 per cent from the previous year. Full year pre-tax profits are projected at Y24.5bn, up by 11 per cent and net profits at Y8.6bn, up by 7 per cent.

The company plans to increase its annual dividend by Y0.5, to pay a total Y10.

Oil find boosts Bond Holdings

BY LACHLAN DRUMMOND IN SYDNEY

MR ALAN BOND has scored another offshore success through his 25 per cent participation in an exploratory well which has struck oil in quantities that should prove commercially viable.

Further testing of the well, Harriet No 1, some 17 km from the producing Barrow Island oilfields midway along the Western Australian coast, yesterday produced flows of 2,628 barrels of oil a day and 1.3m cubic feet of gas through a half inch choke . This came after 1,432 barrels of oil and 701,000 cu ft of gas was recorded on a slightly narrower opening on Monday.

Bond Corporation Holdings said the flows confirmed the find as commercial, and conservative estimates from the operators of the drilling programme, Occidental, set the recoverable reserves at an economic 10m barrels. The shallow water depth of 22m and the proximity to existing production facilities on Barrow Island have established 5m barrels as a generally accepted commercial cut-off point for reservoirs in the area.

Occidental of Australia, which is floating off its Laurel Bay exploration company to the public this week, has a 27 per cent stake in the project, while a further 17 per cent belongs to Getty Oil.

An earlier discovery on the same exploration block, the Banbra Well is estimated to contain 5m recoverable barrels and has immediately become an attractive proportion, given that it lies 6 km from Harriet, could lead to a combined development beginning as early as next year.

The oil strike has been a tonic for Bond Corporation shares, which added 5 cents to A$1.33 yesterday, giving an 18 cents rise in the last four trading days based on speculation and hard facts. It has added A$13m (U.S.$12m) to the capitalisation of Bond Corporation, leaving it at A$93m.

Malaysia delays bank ownership shake-up

By Chris Sherwell, South East Asia Correspondent

THE Malaysian Government's tight financial position has forced it to postpone restructuring the equity of the country's two largest foreign banks, Chartered Bank and Hongkong and Shanghai Banking Corporation.

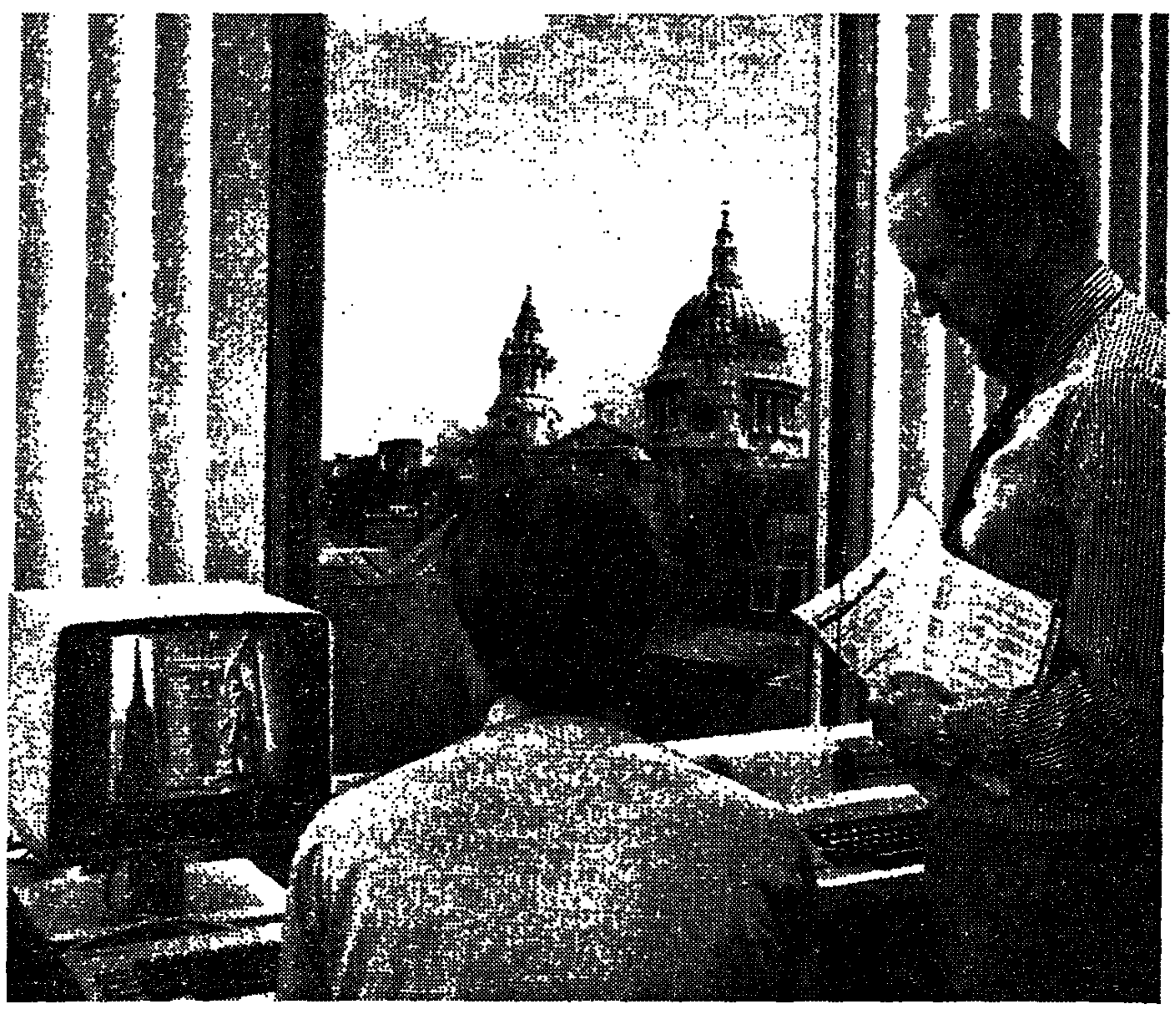
An announcement in Parliament yesterday by Mr Ling Liong Sik, Deputy Finance Minister, confirmed that the two banks can put off their compliance with the New Economic Policy (NEP), which aims to give Malaysians—and especially indigenous Malays (Bumiputras)—a greater and more proportionate share in the ownership of the country's corporate economic wealth.

The two banks, which together have more than 70 branches in Malaysia and around 7bn ringgit (US$3bn) in assets, had already announced their intention to "Malaysianise" their operations, and Chartered had completed the technicalities.

The postponement means that other foreign banks in Malaysia — notably the large Singapore-based banks — may feel less pressed to come up with their own programmes for Bumiputra participation, despite the NEP's aim of achieving by 1990 a share-out of corporate wealth, giving 30 per cent to Bumiputras, 40 per cent to other Malaysians and 30 per cent to foreigners.

The Government's financial difficulties were made clear in last month's budget, which included severe cuts in development spending in an attempt to trime the federal budget deficit.

Malaysia is expected to record an overall balance of payments surplus of 83m ringgit this year, after a deficit of 614m ringgit last year. But the generally unfavourable position at least by Malaysia's customary high standards, appears to have dispelled its hopes for foreign bank restructuring.



Santos raises cash part of Cooper Basin bid

BY OUR SYDNEY CORRESPONDENT

SANTOS, the senior partner in the Cooper Basin oil and gas field, has offered to break the deadlock caused by rival offers for two smaller Cooper Basin participants, Basin Oil and Reef Oil.

Santos announced yesterday it would raise the cash element of its take-over bid for Reef Oil from A$1.65 (US$1.52) a share to A$2.30 a share, valuing the company at A$82m, compared with A$59m, and would drop its bid for Basin.

In return its rivals, the National Mutual Life Association and a resources fund managed by merchant bank BT Australia, would be obliged to drop their bid for Reef and raise their offer for Basin from A$2.15 a share to A$3.20 a share for a valuation up from A$56m to A$83m.

The National Mutual and BT already own 19 per cent of the two companies, but mainly because of the rival Santos offers, they are encountering difficulties in mopping up the minority holders.

The demand that the combine should raise its offer for Basin, meanwhile, would add only A$1.6m to the cost of the outstanding 10 per cent — of which Santos can deliver about 3 per cent.

The National Mutual and BT intend to liquidate Reef and Basin and to take up a direct interest in the Cooper Basin for the superannuation fund with significant tax benefits over the indirect dividend flows they would otherwise receive from a fully taxed corporate structure.

Earnings at CSR ahead

BY OUR SYDNEY CORRESPONDENT

CSR, the Australian sugar, building products and resources group, has opened its latest year with net earnings of A$44.1m (US$40.8m) for the six months to September 30, 3 per cent up on the corresponding period but almost one-third ahead of the A$32m profit posted for the final half of 1982-83.

The company said the increased earnings reflected higher prices for sugar and higher profits from gypsum and insulation products and its pastoral and aluminium interests, as well as an initial profit from its gold operations and a general reduction in operating and overhead costs.

Earnings deteriorated at its iron ore, coal, contract drilling, concrete and mine service activities, while an increase in the effective tax rate also acted against profit growth. Total revenues, excluding agency sales, advanced by 5 per cent to A$1.03bn.

At the trading level, before interest, depreciation, tax and dividend and abnormal income, the group results was ahead from A$172.9m to A$174.6m, with depreciation at A$84.2m against A$80.5m and net interest outgoings at A$30.9m compared with A$29.4m

After including A$15.3m compared with A$10.25m from dividends and abnormal profits from asset sales and tax of A$26.8m (A$23.3m) and minority interests of A$3.9m (A$7.1m), the net result came out at A$44.1m, against A$42.8m.

Net extraordinary credits totalled A$16.1m (A$11.4m), with various write-offs and adjustments offsetting A$53.6m of gains from other asset sales which formed part of a wide ranging drive to improve liquidity and dispense with underperforming and irrelevant assets.

The dividend is unchanged at 9 cents a share from per-share earnings of 12.6 cents compared with 13.5 cents.

ACI International upturn

BY OUR SYDNEY CORRESPONDENT

ACI International, the Australian glass, packaging and building products group, has reported a recovery in net earnings from A$10.12m to A$18.56m (U.S.$17m) for the six months to October 2.

While the latest result is a sharp improvement on the depressed total for the first-half of 1982-83, it is only half the level achieved in the opening six months of 1981-82, although only A$2.3m short of annual earnings for 1982-83.

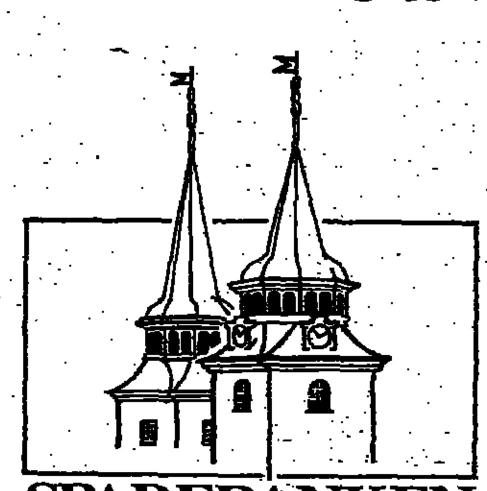
The most encouraging aspect for ACI is that the growth came entirely in the second quarter, after the first three months produced earnings below the corresponding 1982-83 period. This rising trend is expected to continue and the company has forecast significantly higher profits for the full year.

ACI carried out a A$100m-plus asset sale programme last year and has since moved to reduce the A$600m of debt held at March 31 last, more than half incurred in its ill-timed push into the coal industry, which coincided with a sharp downturn in the Australian economy affecting its traditional operations.

The coal interests and their borrowings are being moved off balance sheet.

The latest result was achieved on 15 per cent higher sales at A$1.03bn, with the growth mainly reflecting acquisitions.

The dividend has been maintained at 7.5 cent a share, which again exceeds per share profits of 7.1 cents compared with 4.1 cents.



VONTOBEL EURОBONDINDIZES
WEIGHTED AVERAGE YIELDS
PER 15 NOVEMBER 1983

	INDEX Today	Last week	% Year's High	Year's Low
US$ Eurobonds	11.77	11.80	12.54	11.23
DM (Foreign Bond Issues)	7.35	7.30	7.79	7.23
HFL (Bearer Notes)	7.89	7.89	8.67	7.43
Can$ Eurobonds	12.71	12.97	13.55	12.62

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MINING NEWS

COMPANY NEWS

Amax to reopen its big Henderson moly mine

BY KENNETH MARSTON, MINING EDITOR

AMERICA'S Amax is to reopen its big Henderson molybdenum mine in Colorado. The property has been shut down since October last year as a result of excessive stocks, poor prices for molybdenum and low demand for the steel industry metal.

At present all three of the company's major molybdenum mines—Climax and Henderson in Colorado and Kitsault in British Columbia—are closed down. The decision to reopen Henderson comes as a surprise in view of the continued depression in the market for molybdenum.

Mr William W. Bilhorn, president of the Amax molybdenum division, explains that the company's stocks have now been run down to the point at which production will be needed from one mine early next year in order to sustain the anticipated level of sales.

This does not signify any major revival in the market. That awaits economic recovery in the heavy industry sector. Mr Bilhorn said that the Climax mine would be reopened "as soon as economic conditions warrant."

He specified a continuing decline in molybdenum stocks, increased demand by the capital goods sector and price stability as the key factors which would lead to the reopening of the Climax mine in 1984.

Mining operations are to restart at Henderson during the first week of January next year and initially they will be at levels below full capacity. This will put Henderson in a position to take swift advantage of an upturn in the metal market and production will be increased as conditions permit.

Mr Bilhorn said that Climax could reopen before Henderson works up to full capacity. "Reopening our low-cost molybdenum operations in Colorado, combined with our efficient conversion plants in the U.S. and Europe, will allow us to meet our sales objectives in a very competitive market," he added.

Molybdenum with qualities which include heat resistance and hardness is mostly used in the steel industry. Nearly half its consumption is in low alloy steels while it is also needed in stainless steels and in tool steels.

The metal was in strong demand from 1973 to mid-1980 and for a large part of the period production lagged behind consumption. Prices thus advanced and at one time exceeded $30 per pound on the free market.

But new production capacity was being brought in and output continued to increase through 1981. Then the world recession made its impact on the steel industry and molybdenum went from riches to rags. Prices collapsed in an over-supplied market and mines closed down. At the moment prices are around $4 per pound which is below most mines' producing cost.

As the world's leader in molybdenum Amax saw its profits melt into losses in 1982. For the first nine months of this year losses amounted to $122.1m (£82m) compared with $145.6m in the same period of 1982.

Because of the company's other widely diversified interests in other metals, coal, oil and gas, the importance of molybdenum to Amax has declined to some extent. U.S. stockbrokers Oppenheimer and Co. consider that its importance has fallen to only 8 per cent of expected revenues for 1983 and 1984.

They feel that with the resumption of molybdenum production and increased output of aluminium the company will return to profitability next year and could become more interesting in 1985. In London yesterday the shares improved ½ to $24⅜.

EZ to increase zinc production

THE RECENT upsurge in world zinc prices has encouraged Australia's EZ Industries to boost capacity at its Risdon refinery in Tasmania, according to Sir Edward Cohen, chairman, reports Lachlan Drummond in Sydney.

He told yesterday's annual meeting in Melbourne that capacity is being expanded to 210,000 tonnes, compared with 184,178 tonnes in the past year. That rate was the maximum achievable under the refinery's existing hydro-electric power contracts, and a more expensive power source will have to be used.

The encouraging trend in zinc prices, along with forecasts of continuing growth in demand next year with stocks at their lowest levels for 10 years, and the performance of the 30.96 per cent-owned Energy Resources of Australia, represented the main items of good news for shareholders.

ERA operates the big Ranger uranium mine in the Northern Territory, and has just received Federal Government approval for two new contracts with U.S. power ultilities which will secure its future through the remainder of this decade.

Against this, EZ has been hit by a 43-day strike at the Risdon refinery, and has encountered difficulties in bringing its new Elura mine in New South Wales into full production.

In addition, the poor performance of gold and silver prices has also hit group revenue from precious metals.

Little change in profit at tin groups

NET PROFITS of two Malaysian tin producers, Ayer Hitam Tin Dredging and Tongkah Harbour Tin Dredging, for the year to June 30 have held up remarkably well in the face of the production controls and lower tin price prevailing.

Ayer Hitam managed net profits of M$3.15m (£900,000), compared with M$3.48m in the previous year, in spite of sales of concentrate falling by almost half to 872,000 kilogrammes from 1.57m kg.

Earnings came out little changed at 52 cents against 57 cents, and the final dividend of 60 cents, less tax at 40 per cent, makes a total for the year of 85 cents, against the previous year's 95 cents.

Tongkah Harbour's net profit fell to M$133,000 from M$138,000 last time, although the previous year's results were hit by an extraordinary debit of M$97,000.

The final dividend is maintained at 5 cents, although earnings fell from 5 cents last year to 3 cents this time.

* * *

Directors of Patino NV have declared an interim dividend of $16.50 (about £11.10), subject to the sale of the company's indirect interest in Edper Equities to the Pagurian Corporation. The dividend is payable on December 12.

High silver-lead values in Plenty River drill

HIGH GRADE silver and lead assay results are reported by Swiss Finance Corporation's 57 per cent-owned Plenty River Mining (NT) from its Hanlon's prospects in the Jervois Range of Australia's Northern Territory.

Plenty River says that it expects to be able to announce ore reserves soon and take a decision on mining the prospect by the end of this year.

The latest assay values come from only one of four diamond drill holes completed during September and October. Values over a true width of a relatively narrow 1.2 metres range up to a rich 1,023 grammes of silver per tonne with 51.2 per cent lead, it is stated.

Other intersections in the hole ranged from 54g silver and 10.2 per cent lead over 0.8m up to 548g silver and 24.2 per cent lead over 0.7m. The intersections were made at depths from 83m to 125m.

The drill also encountered an *extension of a previously discovered* copper lode which graded 2.3 per cent copper over a 6m true width. In 1981 shallow percussion drilling encountered mineralisation grading up to 306g silver, 22.7 per cent lead and 6.4 per cent copper.

Plenty River says that the high grade silver-lead mineralisation was intersected over a strike length (lateral direction of the mineralisation) of 50 metres.

The find thus has the makings of a high grade open-pit mine but, as always, any further *judgment on its value depends* on how much mineralisation is proved to exist and how consistent the assay values turn out to be.

Plenty River shares were nominally 22p in London yesterday.

Caris to explore for Western Continental

AUSTRALIA'S Caris Corporation is to become the exploration arm of the Western Continental group there. A scheme is being put together to enable Eastern Petroleum Australia to buy the 14.6 per cent stake held in Caris by Western *Continental* at market-related price.

The scheme is subject to legal advice which is now being sought. Details of the reorganisation will be sent out shortly to Caris shareholders.

The latest quarterly report of Caris, which is headed by Mr Ron Wise, says that drilling to the evaluation stage has been completed at the Union Club, Mystery and Sir John zones of the Union South Block of the Kalgoorlie joint gold venture. Caris has a free carried interest of 5.9 per cent in the venture.

Ore reserves have been calculated at 1.52m tonnes averaging 3.23 grammes gold per tonne proven plus 974,000 tonnes at 3.53g probable and 1m tonnes at 3.6g possible.

Public Works Loan Board rates

Effective November 16

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* A‡	Non-quota loans A* repaid at maturity§
Up to 3	9⅞	9⅞	10⅝	11⅛	11⅛	11¼
Over 3, up to 4	10⅛	10⅛	10⅞	11⅜	11⅜	11⅜
Over 4, up to 5	10⅜	10⅜	10⅞	11⅜	11⅜	11⅜
Over 5, up to 6	10½	10⅝	10⅞	11½	11½	11½
Over 6, up to 7	10⅝	10⅝	11	11½	11⅝	11½
Over 7, up to 8	10¾	10¾	10⅞	11½	11⅝	11½
Over 8, up to 9	10¾	10¾	10⅞	11½	11⅝	11½
Over 9, up to 10	10¾	10¾	10¾	11½	11⅝	11¼
Over 10, up to 15	11	10¾	10⅝	11⅜	11¼	10⅞
Over 15, up to 25	10⅞	10⅝	10⅝	11	10⅞	10¾
Over 25	10¾	10¾	10⅝	10¾	10⅝	10⅝

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest. § With half-yearly payments of interest only.

Falling sales cut Michael Black's first half profits

WITH video cassette recorder sales falling sharply during the off-season summer months, pre-tax profits at Michael Black fell *from £150,000 to £105,000* in the six months to September 30 1983. The directors say sales of colour television and audio units were also slower during the summer months.

The EEC-Japanese trade agreement which limits supplies of video recorders has caused heavy price increases, leading to considerable consumer resistance. This has put both sales and margins under pressure.

They say that although there are signs of some revival in demand for video recorders, results for the second half are *expected to fall short of* the equivalent period last year.

The outcome will depend greatly on the strength of the upturn in the video market during the pre-Christmas season, as video cassettes still represent the major portion of the company's sales.

Colour television and audio sales have been improving as the seasonal demand for home entertainment returns.

Turnover of this Glasgow-based company—its shares are traded on the Unlisted Securities Market—was lower at £2.41m compared with £2.85m. The tax charge was £52,000 against £70,000. The interim dividend is unchanged at 0.5p net—last year's total was 3p. Earnings per 20p share were down from 2.14p to 1.31p.

Yearling bonds total £22.75m

Yearling bonds totalling £22.75m at 9$\frac{7}{16}$ per cent have been issued this week by the following local authorities.

East Lindsey DC £0.5m; Kingston-Upon-Hull (City of) £1.0m; Southwark (London Borough of) £1.0m; Wansbeck DC £0.25m; Wycombe DC £1.0m; Bury Metropolitan BC £1.0m; Lothian Regional Council £1.0m; Mole Valley DC £0.25m; Newham (London Borough of) *£2.0m; Birmingham (City of)* DC £1.0m; Dundee (City of) DC £1.0m; Walsall Metropolitan BC £1.0m; Barking and Dagenham (London Borough of) £0.5m; Hounslow Borough of) £1.0m; Thamesdown (Borough of) £0.5m; Congleton BC £0.4; Lewisham (London Borough of) £2.5m; Northavon DC £0.25m; North Tyneside Metropolitan Borough Council £1.5m; Rother DC £0.25m; Adur DC £0.5m; Cleveland CC £0.5m; Cynon Valley (Borough of) £0.25m; Newcastle-Upon-Tyne (City of) £1.0m; Northampton (Borough Council) £0.75m; Preston BC £1.0m; Sheffield (City of) £0.85m.

R. H. Morley

As predicted last March a return *to profits of £61,029* against losses of £26,035 has been shown by R. H. Morley Group for the six months to the end of September 1983. Turnover of this polythene film manufacturer expanded from £1.57m to £1.69m.

Mr R. H. Morley, chairman, says that order book and production levels are very encouraging and satisfactory profits should be reported in the final accounts.

In the last full year, pre-tax losses of £31,552 were reported. Last March the directors were optimistic that the worst was over and expected to report profits in their next statement.

No interim dividend is proposed, but Mr Morley expects a return to dividend payments after the full year's figures are known. The last payment was an interim of 1p in 1981. Earnings per share on an annualised basis for the USM stock amount to 4.88p for the period under review, compared with losses of 2.1p.

After an unprofitable start to the year, the restructuring which the company has been engaged in began to take effect, and with the market for the company's products improving, profits have been returned for the half year.

There was again no charge for tax.

AIB forges ahead despite continuing Irish depression

IMPROVED pre-tax profits are reported by Allied Irish Banks for the half-year to September 30 1983. The figures are up from I£29.6m to I£42m, but associates' profits fell from £1.6m to £700,000. The interim dividend is effectively raised from 4.09p to 4.5p on increased capital—the comparable dividend includes the equivalent of 1.8794p per share in respect of 1974.

Tax was considerably higher at £13.6m, compared with £8.5m. Earnings per 25p share were up from an adjusted 14.2p to 19.2p.

As to the remainder of the financial year overall, the directors say indications are that a somewhat similar result at the pre-tax level will be achieved for the second six months. For the second six months to the end of March pre-tax profits came to £39.3m.

They add that the group's policy of expanding international activities is proceeding satisfactorily, and they are confident that the U.S. Federal Board will give clearance very soon for the company's investment in First Maryland Bancorp.

However, this major addition to the AIB group may be completed too late to affect profits of the 1983-84 year, but the company expects that a full year's benefit will be obtained in 1984-85.

The recent purchase of the outstanding 75 per cent of the Insurance Corporation of Ireland, because of its timing, will have only minimal effect on the profits in the current financial year, but the *company expects* that the full impact of this acquisition will be reflected in a positive way in the company's earnings in 1984-85.

They say business in Ireland remains depressed and the affairs of many customers are a continuing cause for concern. However, the company's business elsewhere has prospered and grown, and group results for the September half-year, outside the state, have been particularly good.

On a *current cost basis* pre-tax profits rose from £14m to £26.2m.

At September 30, shareholders' funds came to £385.7m.

(In I£m)	Half-year Sept 83	Half-year Sept '82
Operating profit	41.3	28.0
Associates	0.7	1.6
Pre-tax profits	42.0	29.6
Taxation	13.6	7.8
Government levies	—	0.7
Minorities	—	1
Profit after tax	28.4	21.1
Profit attributable	28.4	21.0
Dividends	6.7	6.0

● comment

AIB does not usually disclose its bad debt provisions so early in the year but with local economic conditions little better than 12 months ago, it is a fair bet that the figure will not be dissimilar to last year's hefty I£27m. Against this background, the company has done *well to lift* halftime profits by 42 per cent, a figure which compares favourably with last week's announcement of a one-third rise over the same period from Bank of Ireland. While AIB has made progress on reducing overheads, especially staff-related costs, its main strength comes from its growing overseas earnings, which in the latest accounts chipped in 29 per cent of group profits, up from 23 per cent six months ago. Once First Maryland and the overseas earnings of The Insurance Corporation of Ireland are consolidated, this figure will rise to more than 50 per cent, reducing the exposure to the depressed home market even further. All that is still a year away, so it looks like an outturn of around I£85m this year, against £68.5m. At 152p, up 2p, the shares sell on a prospective *fully-taxed p/e o faround 6*—a rating not far off that typical of the UK banking sector.

Bestwood dives but looks for improved second half

FOR THE opening half of 1983 pre-tax profits of Bestwood, with interests in commercial and industrial colour printing, fell by £90,997 to £113,021.

Turnover moved up from £444,639 to £519,884 but at the trading level the company incurred a loss of £3,086, compared with profits of £9,048, before adding income from investments and interest of £116,107, against £194,970.

Trading margins of John Brown (Printers) showed a small improvement but the additional surplus, including the contribution made by the increase in turnover, was more than offset by increases in provisions for an increase in overheads generally, some part of which related to the additional turnover.

The provision required for bad debts rose from £4,174 to £17,556 and that in respect of depreciation from £13,006 to £22,625.

The directors say that as yet, there is no sign of a significant improvement in trade. However, they add that if the incidence of bad debts, which arose in the second half of 1982, is avoided trading figures overall should show a return to profitability.

First half tax accounted for £36,325 (£66,441) after which earnings per 15p share emerged 3.94p down at 4.88p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:— Aquascutum, Brown Shipley, East Midland Allied Press, B. Elliott, Garford-Lilley Industries, Grampian Television, Investment Company, LCP, LRC International, Lep.

Finals:— Akroyd and Smithers, Five Oaks Investments, M. J. Gleeson, Kwik Save Discount.

FUTURE DATES

Interims:—

Argyll Group	Nov 24
Billam (J.)	Nov 18
Chamberlain Phipps	Nov 28
Euston Centre Properties	Nov 21
Gordon and Gotch	Nov 18
Hanover Investments	Nov 24
Hicking Pentecost	Dec 5
International Paint	Nov 29
Mitchell Somers	Dec 8
Moorgate Mercantile	Nov 23
NCR	Nov 18
Warnford Investmentments	Nov 24

Finals:—

Adam Leisure	Nov 22
Greenall Whitley	Dec 6
Radio City (Sound of M'side)	Nov 28

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Allied Irish Banks ¶	int.	4.5*	Dec 14	*‖4.09	—	*‖8.18
Michael Black	int.	‡0.5	Jan 31	0.5	—	3
Cable and Wireless	int.	2.4	March 31	2.1*	—	5.47*
Chamberlin and Hill	int.	1.1	Dec 10	1.1	—	2.9
Intl. Signal††	int.	0.7	Jan 16	—	—**	2.25
Jersey General§	int.	5	—	4.75	—	11
Lond. and Liverpool	int.	0.75	Jan 17	0.75*	—	2.75*
Monks Invest. Tst.	int.	1.1	—	1.1	—	2.4
Robert Moss	int.	0.8	Jan 11	0.66	—	2
Mountview Estates	int.	1	March 26	0.7	—	3.7
Tesco	int.	1.5	Feb 24	1.25	—	3.5
TR Technology	int.	1	Jan 2	1	—	3.3
Wade Potteries		1.65	Jan 11	1.5	2.2	2
Thos. Warrington	int.	1.75	Jan 6	1.75	—	6.16

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Gross throughout. ¶ Irish pence throughout. ‖ Includes equivalent of 1.8794p per share in respect of 1974. ** Final of 1.3 cents forecast. †† U.S. cents throughout.

Robt. Moss soars 118% and lifts interim

INCLUDING contributions this time from North West Plastics and Toolmak, acquired in December 1982, first half pre-tax profits of Robert Moss soared to £710,000.

This was an improvement of 118 per cent over the £325,000 reported for the opening half of the previous year and compares with £715,000 earned for the full 12 months.

Further "steady progress" is anticipated and meanwhile, the interim dividend is being stepped up by 21 per cent from 0.66p to 0.8p net per 10p share—a final of 1.34p was paid last year.

Turnover for the half year, to end-September, shot up from £2.28m to £6.1m—the group, based in Oxford, manufactures *plastic injection mouldings.*

In his interim report Mr Murray McLean, the chairman, says the group is facing a steep rise in the price of raw materials. However, he points out that both the Kidlington and Banbury factories are performing well and that the directors are concentrating on the future development of the Manchester businesses acquired at the end of 1982.

Profits before tax were struck after taking account of a £36,000 rise in interest to £101,000. Tax took £199,000 more at £284,000 and was estimated at 40 per cent (26 per cent).

Below the line, extraordinary *credits of £130,000* boosted available profits to £556,000 (£240,000). Extraordinary items arose from the disposal of the *surplus office*-warehouse building at Kidlington.

Retained profits emerged at £445,000 (£170,000) after deducting interim dividend payments of £111,000 (£70,000).

Earnings rose by 41 per cent to 3.1p (2.2p) per share.

Cable and Wireless hits £80m as volume increases

INTERNATIONAL telecommunications group Cable and Wireless pushed its pre-tax *profits up by £11m to £80m* during the half-year ended September 30 1983 and the net interim dividend is being effectively increased from 2.1p to 2.4p per 50p share.

The contribution from *associated companies rose by* £6m to £14m and included £3m from Hong Kong Telephone in respect of the three months from acquisition to June 30.

In the second six months, group results will include figures *of HKT from July 1 to end-*December.

Apart from associates, interest and leasing added £10m (£13m) to pre-tax profits—lower cash balances and reduced interest rates led to the fall in interest income.

Group turnover for the opening half moved ahead from £192m to £213m. After tax £31m, against £25m, and minorities of £5m (£6m) net profit emerged £6m higher at £44m.

Earnings amounted to 9.8p (9.4p) per share.

Traffic volumes originating at group locations continued to increase at an overall average rate of almost 15 per cent.

With most of its activities *overseas the group was helped* by current sterling exchange rates — trading profits were boosted by a currency gain of some £2m, compared with the first half of last year.

Investment is continuing in the U.S., the Far East and the UK.

Telecommunication projects have characteristically extended periods before earning profits.

The acquisition of almost 35 per cent of Hong Kong Telephone was partly financed with some £26m cash.

For the year to March 31 1983 the group returned pre-tax profits of £157m, an improvement of some 76 per cent over those of the previous year. A final dividend equal to 3.33p was paid.

Last month the Government said it was considering disposing of approximately half of its present 45 per cent stake in Cable and Wireless through an offer of sale to the public. Its holding is currently worth around £546m.

See Lex

HIGHLIGHTS

Interim results from **Tesco**, examined in Lex, show the costs of reorganising itself to compete more effectively, with *its rivals, in a fairly modest rise in trading profits.* Also featured is **Cable and Wireless** which disappointed the market with profits ahead by rather less than expectations. The column also looks at **London and Liverpool Trust** where, after £2m of development costs, taxable profits were more than halved. The Chancellor's statement is due today, and Lex looks at the fiscal stature that the City will want to see for *the coming fiscal year.*

Thos. Warrington midway drop

IN CONTRAST with hopes expressed last May for a successful year, pre-tax profits at Thomas Warrington and Sons dived from £212,000 to £61,000 for the first half of 1983. The directors doubt whether full year profits will equal the record £616,000 achieved in 1982.

The net interim dividend has been held at 1.75p. In the last full year a total of 6.16p was *paid. Earnings per share for the* six months emerged down from 3.39p to 0.96p.

Trading profit for the half year was significantly lower than for the *corresponding period* last year, say the directors, because the major part of the turnover comprises contracts *and private developments in* their early stages of completion, on which they have taken the normal cautious view of profits.

The majority of work for inclusion in this year's accounts will be completed late in the year and the directors say the overall result will depend on the precise number of private house sales.

The acquisition of Wilson (Heywood) for £292,500 cash *came too late* in the year to have a material effect on results but the directors expect to be able to considerably expand the activities of this company

Turnover of the group, a Wirral-based general building and public works contractor, expanded from £4.34m to £5.55m.

Tax came to £32,000 *(£110,000). There was a realised* revaluation surplus of £41,000 this time which was transferred from the revaluation reserve.

TR Technology assets grow 11.4% to 204.6p

AN INCREASE of 11.4 per cent in the net *asset value per share* is shown by TR Technology Investment Trust as at September 30 1983.

Compared with 183.6p as at March 31 last, the figure increased to 204.6p six months later—as at September 30 1982 it stood at 142.1p.

As expected in the annual statement earlier this year, total *six months' income was down* from £4.25m to £3.73m. The interim dividend, however, is maintained at 1p net per 25p *share—last year's final* was 2.3p.

After interest, £650,356, compared with £406,187, and tax of £1.23m, against £1.48m, net profits available emerged down from £2.36m to £1.85m. Dividends will absorb £1.15m (same) leaving a retained figure of £699,935 (£1.21m).

Earnings per share were behind from 2.12p to 1.65p.

Sir Anthony Touche, chairman, points out that the technology content of the company's portfolio is now 84 per cent, but the geographical content has shifted slightly from original targets as the Trust's assessment of the relative values of the major markets has altered.

The UK *content* is 36 per cent, against 40 per cent originally envisaged, he states, with North America 39 per cent, Japan 20 *per cent, and other countries* 5 per cent.

"The share prices of some of our home-based technology stocks *have been under some pressure,"* Sir Anthony says.

In the U.S. doubts expressed in the annual statement about values placed on smaller companies "have proved well founded and many have fallen to a half or even a third of their recent levels."

Such market action, he says, produces opportunities which *directors have begun to exploit.* He adds that the company continues to invest in unlisted stocks.

The chairman points out that an indication that TR feels positive towards the American stock market is evidenced by a further currency loan of $5m, raised on June 14 last.

The Trust also announces the acquisition of 40 *per cent of the* Berkeley Consulting Group, of California, for $15m, and a stake in the recently-formed Business Application of Science and Engineering International (BASE International).

The Berkeley stake is financed by a $15m five-year currency loan with a fixed interest rate for the first two years. Directors say it reflects TR's satisfaction with the performance and prospects of the 21 investments in North American high technology companies introduced to it by Berkeley since 1981.

Of these, four are now listed in the U.S. and a further nine plan to obtain a listing within 12 months.

The stake in BASE, which was formally launched last week, is not significant in size, directors *state, but is regarded as potentially very important.*

The concept of this company is to provide a practical, but much needed link between the marketable technology that exists within university, government and corporate research establishments and the managements that have the skill and the capacity to exploit it.

Directors add *that initial* indications are that BASE will have more than enough propositions to consider.

● comment

TR Technology's 11.4 per cent net asset gain over the past six months represents a good performance, and is in line with the Trust's aim of consistently beating the All Share Index. However, even after a 1p *gain in the share price to 144p,* the discount to asset value of about 29 per cent is wide indeed for an investment trust with a "*technology*" tag, and is clearly a source of great concern to the management. Perhaps if TR Technology were to divest itself *of some of its large holdings in* the financial sector, that would make for a more dynamic image. As a rebuttal against the *criticism that it is simply far* too big to be an ideal vehicle for investment in the young sunrise industries, TR Tech*nology can now point to the* recent acquisitions in BASE and the Berkeley Consulting Group. Much of the $15m paid for *Berkeley is clearly goodwill, but* TR considers that the best way of strengthening its ties with Silicon Valley. Interestingly, *closer to home, its stake in GEC* is a third of the size it was two years ago, and seems certain to be cut back still further.

London and Liverpool profit falls by £1.5m

PROBLEMS caused by adverse publicity for Tele-Jector and disappointing sales of video juke*boxes are reflected in first-half* results of the London and Liverpool Trust.

Struck after development costs of £2m for the period, ended September 30 1983, taxable profits of this video equipment, precision and general engineering concern dropped from £2.51m to £1.04m.

In his first statement as chairman, Mr *H. A.* Whittall explains that the disappointment in jukebox sales was caused by technical faults.

"These faults have now been cured and the second half should show an increase in such sales." He adds that local advertising for *Tele-Jector is also* showing promising signs after a very poor start with national advertising. And the company's photocopying businesses have continued to be buoyant.

Two subsidiaries, which did not fit in with the company's mainstream businesses, were sold, and the chairman says that further rationalisation is expected to take place in the second six months.

Commenting on the future Mr Whittall says directors view it with confidence, "although there are considerable difficulties to overcome."

He says that while the year's profits will not be as high as last year's £7.2m, directors expect results for the second half to be higher than those of the first.

Based on this confidence the interim dividend is effectively maintained at 0.75p net per 10p share — last year's adjusted final was 2p.

Turnover for the first six months expanded from £14.87m to £19.63m. There was a tax credit of £1.25m, *against* a £628,000 charge, and despite an extraordinary debit of £370,000 (nil), the attributable balance was ahead at £1.92m (*£1.88m*).

Dividends will absorb £350,000 (£321,000) and earnings per share were 4.91p (4.03p adjusted).

The company has devoted considerable resources in expanding its network of showrooms and offices, the chairman says, particularly in the London area. Sales forces are being trained in telecommunication equipment, "which is likely to become a major part of the group's activity."

See Lex

Chamberlin & Hill

An increase of *£68,703 to* £209,430 in pre-tax profits is reported by Chamberlin & Hill, the Walsall-based foundries and electrical engineer, for the *six* months to September 30 1983. The interim dividend is unchanged at 1.1p net — last year's total was 2.9p from pre-tax profits of £275,191.

The increased midway profits are in line with the board's expectations.

There was a drop in turnover, however, down from £4.71m to £4.66m, but despite this, the foundries returned to profit in the first half, although the full benefits of the closure of Platt foundry have yet to be realised.

Pre-tax profits were after further redundancy payments of £16,000 (£35,000). There was a tax charge of £108,904 (£54,055). Earnings per 25p share were up from 2.44p to 2.84p.

The electrical engineering subsidiaries made further progress and increased their contribution to group profits.

Although it is still "very difficult" to predict the level of demand during the second half, the directors expect the trading results to be "somewhat better" than those for the first six months.

Pillsbury listing

The Pillsbury Company, one of the world's largest diversified food companies, is seeking a *London Stock Exchange listing* for its ordinary shares.

Pillsbury operates in three major segments of the food industry: consumer foods, restaurants, and agri-products. Over the past 10 years net earnings have increased at an average compound rate of 19 per cent to $138.9m. The company is currently capitalised at about $1.5bn.

Trading in London is expected to begin on November 22. The listing is being arranged by Samuel Montagu, with Greenwell as brokers.

BET Omnibus

Including associate profits of £2.2m, compared with £1.99m, the taxable surplus of BET Omnibus Services, the plant hire, transport and civil engineering *subsidiary of British Electric* Traction Company, moved ahead from £89,000 to £2.36m in the first half to September 30 1983. This advance was largely due to a reduction in interest charges from £1.98m to £182,000.

Earnings per share are given as *rising* from 1.51p (adjusted for scrip) to 6.88p before extraordinary items and from an adjusted 1.05p to 6.83p after. The interim dividend is being lifted from an adjusted 0.5p to 1p.

Turnover, excluding associate, fell from £32.25m to £10.43m and investment income came to £3,000 (£8,000). There was a tax charge of £1.08m (credit £208,000) and an extraordinary debit of £19,000 (£82,000). Last time there were also minority credits of £16,000.

Tesco rises £5m to £25m —£100m store expansion

MULTIPLE retailer Tesco has lifted profits from £20.1m to £25m pre-tax for the 24 weeks ended August 13 1983, a 24.6 per cent advance. Turnover, including VAT, rose by £148m, or 14 per cent, to £1.2bn.

Sir Leslie Porter, chairman, says that profits and volume continue to improve and progress is being made in productivity. He adds that the expanded range of own-label merchandise, particularly fresh food products, continues to prove satisfactory.

After tax of £8m, against £5m, earnings per 5p share were 5.06p (4.53p), and the interim dividend is increased from 1.25p to 1.5p net—last year's final distribution was 2.25p and taxable profits amounted to £53.5m.

Rationalisation towards larger stores is proceeding and while *fewer units are expected to open* in the current year, a substantial forward programme is in place, Sir Leslie states.

He said later that Tesco would be opening five new stores this year and carrying out three extensions. But the chairman added that this programme would be stepped up and between eight and 10 superstores a year should be developed in 1985 and 1986 at a cost of £100m.

He said that the group market share of the grocery trade was presently about 14.5 per cent. The trade remained very competitive, he pointed out, but "*I* am very confident we are changing the image of Tesco and gradually floating it up-market. I am very satisfied with progress."

The chairman also announces his retirement from executive duties at the annual meeting in July 1985. He will be succeeded as chairman by Mr Ian MacLaurin.

Sir Leslie says that his appointment as chairman then will represent a "significant break with tradition" for the group.

Sir Leslie, like his predecessor, was related to the founder Sir John Cohen. Mr MacLaurin said: "I suppose it is a break with tradition, but I have been with the company over 24 years so regard myself as one of the family."

Trading profits for the 24 weeks amounted to £41.6m, compared with £36.2m, but net interest took £1m (£3.7m) and depreciation £15.6m (£12.4m).

After the tax charge, a surplus on the sale of properties, £3m (£0.8m), and dividend cost, £5.1m (£4.2m), the balance retained was £3.2m higher at £14.9m.

Sir Leslie comments that this year more stores are being refitted to current standards to improve customer service. He points out that 18 smaller stores were closed during the year and that current selling area is now 7.4m sq ft.

With immediate effect, Mr MacLaurin is appointed deputy chairman; Mr Victor Benjamin is appointed a deputy chairman on a part-time basis; Mr David Malpas is appointed *managing* director (trading); and Mr Ralph Temple is appointed managing director (finance and administration).

See Lex

Wade Potteries ahead to £0.7m after sharp second half advance

AS EXPECTED at the halfway stage at Wade Potteries, progress continued in the second half with *pre-tax profits for the year* to the end of July 1983 recovering from £183,454 to £733,540. The directors say that the year *ahead will show "further progress."*

Turnover of this maker of ceramic products expanded from £9.35m to £11.36m.

The net final dividend has been lifted from 1.5p to 1.65p *which raises the total from 2p* to 2.2p. Earnings per 10p share improved from 0.44p to 4.33p.

At the half-way stage profits increased *from* £51,785 *to* £260,521. The directors expected the improving trend to continue throughout the *second half with a gradual* increase in profitability.

Commenting on the year's results the directors say that *while general conditions* were partly responsible for the improvement, it was mainly due to efforts in new product development, design and marketing.

The more favourable trend has continued for the first quarter of the current year and provided the group's Irish factory can quickly be brought under similar pressure of orders, the directors anticipate that this year will show further progress.

Three subsidiaries are working their way out of the recession, say the directors, and *steadily improved results in the* light of increased demand. The exception has been Wade (Ireland) which continues to operate below capacity and has again made a loss.

Demand for the company's specialised refractories, electro ceramics and point-of-sale advertising products remains steady and the company hopes to increase the export potential of ornamental ware and flagons still further.

Capital expenditure during the year *totalled* £294,380. As confidence grew that improved demand would be sustained, further projects were authorised *in the latter* part of the year and the cost of these will be reflected in the spending this year.

Tax for the year came to *£249,379 (£97,078)*. There was an extraordinary credit this time of £9,406, leaving profits at £483,567 (£86,376).

Net tangible assets per share moved up from 38.52p to 40.74p.

● comment

With few price rises, Wade's 21 per cent increase in turnover *is* a measure of the improving trading base which, with the stubborn exception of Ulster, is taking place across the board. A notable element of this improvement is new product development on both the orna*mental and industrial sides* of the business, a feature which augurs well for the future as factories are brought up to *capacity.* New product development is also the reason for the company's share price rise in recent months to 62p and this is the first time that Keralloy has seen the light of day in a statement. Pilot runs of the new product have obviously gone well and the company must be feeling more confident of its potential. Keralloy, used in printed circuits to dissipate heat, could have a wide application at the high tech end of the electronics industry. If successful, it could be the most exciting product that the company has ever developed. Although it is still early days to be so bullish, the 13.9 p/e on stated earnings suggests a price ahead of events. The yield is 5.2 per cent.

ISC surges past £6m midyear

IN THE first half to September, International Signal & Control Group (ISC), the U.S. based *defence, electronics* and communications company, surged from pre-tax profits of U.S.$3.12m to $9.36m (£6.07m at current *rates). Turnover advanced by 89* per cent to $86.46m, compared with $45.83m.

With earnings per 10 cent *share given as 4.6* cents (2.2 cents) the company is paying a net interim dividend of 0.7 cents —its first since joining the *London* Stock Exchange in October 1982.

The directors say that, as already forecast, the final *dividend will be set at 1.3 cents*— subject to unforeseen circumstances—to make a total of 2 cents. This compares with 2.25 cents paid *in* respect of the year to March 31 1983, from taxable profits of $15.09m ($5.32m).

Operating margins were lower than *in the previous* year, the directors report. This was largely because of changes in contract mix and the timing of revenue recognition on contracts in progress. However, operating profits advanced from $6.72m to $9.03m.

Meanwhile the directors look forward to continued progress during the remainder of the year

The trading results include sales of *$11.8m* and pre-tax profits of $1m for Marquard—the California-based rocket and air breathing propulsion systems concern—in respect of the seven weeks from the date of its acquisition on August 15.

Pre-tax profits were struck after interest charges well down at $656,000 ($3.63m)—due to the repayment of loans in the latter *half of the previous year*—and included interest receivable of $988,000 ($30,000).

Tax took $3.93m ($1.41m) *leaving attributable profits* of $5.43m ($1.7m). Additionally an extraordinary charge of $2.5m relating to the offer for sale by *tender was transferred* to the share premium account.

● comment

Take out the $3.9m positive swing on the interest account and the $1m contribution from seven weeks of trading at Marquardt, and ISC's operating profits were up 20 per cent on the comparable period. This is less than a third of the annual growth rate it experienced in 1982 and reflects the lumpiness of revenues in a business dominated by a few huge customers; a point further underlined by the slippage in gross operating margins to 10.4 per cent of turnover. Marquardt was at least partly meant to add some smoothness to the flow of revenues, but even after the acquisition, the biggest customer —the U.S. Defense Department —still accounts for some 45 per cent of trading income, with the rest distributed among a few clients in the Middle East and Africa. However, the subsidiary has also increased the group's capacity to manufacture its own components and gives it an important entrée into Europe, where it provides attitude control rockets for the British Aerospace L-SAT. The shares, meanwhile, dropped 7p to 178p, capitalising the group at £248m.

BIDS AND DEALS

Initial pays $14m for its second major U.S. acquisition

BY CHARLES BATCHELOR

Initial, the laundry and cleaning group, has made its second major U.S. acquisition with the purchase of the linen rental business of United Service Company of Youngstown, Ohio for $14m (£9.44m).

This purchase extends Initial's coverage of the U.S. market West into Ohio, Western Pennsylvania and parts of New York, West Virginia, Maryland, Kentucky and Indiana.

Consolidated Laundries, for which Initial paid £12.4m in January 1982, already gives it a presence in the North Eastern states.

Initial has bought United and an associate company, Youngstown Towel Supply Laundry Company, but it is not buying its small paper warehousing operation. Mr Leslie Spero will remain as managing director. The Spero family were previously the owners of United.

United, with Youngstown, has one of the 10 largest linen rental businesses in the U.S. It makes pre-tax profits of just under $2m on turnover of $26m. Employees number 760.

The company has estimated net assets of not less than $14m including cash of $3.4m. Initial will make a payment of $10,000 on completion, $11.37m on January 3 1984 and $2.64m on September 30 1985.

United provides linen supply and industrial uniform services to restaurants, hotels and supermarkets and also has larger contracts with hospitals and motor and steel companies.

The rationale for Initial's move into the U.S. has been increased by a UK Monopolies and Mergers Commission ruling in May 1983 which blocked rival bids from Sunlight Group Services and Initial for Johnson Group Cleaners. Initial is 41 per cent owned by British Electric Traction.

Mr Michael Walker, a director and company secretary of Initial, said: "Our expansion in the U.S. was given a spur by the red light we were given in the UK. If we are to expand, we must do it by acquisition overseas."

Initial's search in the U.S. has been aided by the fact that the president of Consolidated Laundries was a director of the Textile Rental Association of North America, which made it easier to make contacts in the industry.

Earlier this year, Initial, through Consolidated, bought a small linen rental group, Teitler Linen Service, for $1.8m.

Initial's share price fell 2p to 476p yesterday.

Tate forced to increase offer in Lisbon deal

By Charles Batchelor

Tate & Lyle, the British sugar giant, has been forced to increase its offer for a tiny Lisbon sugar refiner in its effort to break into the Portuguese market.

The British group has increased the value of its bid for Alcantara-Sociedade de Empreendimentos Acucareiros to £2.81m from £2.43m after gaining acceptances from the holders of a total of 25.3 per cent of the equity.

Tate & Lyle was originally tempted to bid for Alcantara because many of its 1,700 or so shareholders live in the UK, which made them far easier to contact.

Alcantara, which has an 80,000 tonne sugar refinery near Lisbon docks, is the company formed from the Portuguese-based assets of Sena Sugar Estates, a Mozambique company which was nationalised when that country gained its independence in June 1975.

With a listing — since suspended — on the London Stock Exchange, many of Sena's shareholders lived in the UK. When Alcantara was formed from the remnants of Sena they were given Alcantara shares in exchange for their Sena paper.

The Tate & Lyle bid has initially been made only to the holders of the 62.6 per cent of Alcantara's shares held outside Portugal. This will later be extended to Portuguese shareholders, the main one of which is Mr Francisco Pereira do Valle, the managing director. Mr Pereira, who holds 30 per cent of the shares, is understood to have initiated the deal.

Tate & Lyle is expected to have to make substantial investments in the Lisbon refinery—one of only four in Portugal.

Tate & Lyle is now offering 26p for each ordinary and 28p for each preference share of Alcantara—up from 22.5p and 24.5p respectively. Its original offer received acceptances of 19.2 per cent and additional undertakings to accept from holders of 6.1 per cent

The increased price will be paid to those shareholders who accepted at the lower level. Tate & Lyle has declared its offer unconditional and waived the condition that holders of more than 50 per cent of the voting rights must accept.

Associated British Ports' new venture in pipeline

Associated British Ports, privatised early this year, is embarking on its first non-port venture with the formation of a joint company to make special coatings for pipelines.

Its partner in the £2.5m venture will be Humberside Sea and Land Services, itself half owned by Powell Duffryn and half by Interdom Holdings.

The new company, Universal Pipe Coaters, will start operations at the south Humberside port of Immingham next January. Its formation—ABP will put up its investment share in cash and its partner in the form of existing plant and machinery—is timed to coincide with the expected resurgence of North Sea energy development in coming years.

The basis for the new joint company will be the existing pipe coating division of Humberside Sea and Land, together with a U.S. process for applying concrete weight coatings to pipelines to keep them on the seabed.

The process, developed by Compression Coat of Texas has been used on over 70 pipelines by major oil companies. The new joint company will be sole UK licensee for the process, under which concrete is applied to pipes by rotary extrusion to minimise damage to their corrosion coatings.

Mr Jack Allitt, managing director of Humberside Sea and Land, said the new company would be the largest wholly British-owned pipe coating company in the UK.

Mystery buyer for Anglo Scottish

A MYSTERY buyer yesterday made a bid for 14.9 per cent of the shares of the embattled Anglo Scottish Investment Trust, through stockbrokers Kitcat and Aitken.

The bid came shortly after an announcement from Anglo Scottish that it would be consulting shareholders over whether the company should be wound up and its portfolio of assets converted to a unit trust.

The directors of Anglo Scottish, a £52m general trust, have recently been criticised by shareholders for their decision, made without consultation, to sack Gartmore Investment Management as the trust company's fund managers. The management contract has been awarded to C.S. Investments, a company recently set up by the two former managing directors of Gartmore who resigned in August.

One of the founders of C.S. Investments is Mr Eric Crawford, who was also chairman of Anglo-Scottish until three weeks ago. He said last night he had no idea who the buyer could be of the Anglo Scottish shares. Their price rose yesterday by 21p to 135p.

He explained that yesterday's announcement of consultations over the possible unitisation of Anglo Scottish, which prompted the mystery buyer, was made because of concern expressed by some institutional shareholders about the large discounts in the price of investment trust shares to their net asset values. Before the announcement, the discount of Anglo Scottish stood at 29 per cent.

But Mr John Manser of Save and Prosper—one of the S and P's unit trusts holds a 10 per cent stake in Anglo Scottish—dismissed this explanation last night. He said: "It sounds like a bit of a red herring. The real issue is the need for consultation over the change in the managers of the fund."

Yesterday's Anglo Scottish letter to shareholders, which also sought to justify the decision to replace Gartmore by C. S. Investments as the fund's managers, was criticised as misleading by Mr Peter Rintoul, director of Gartmore Investment. He said: "This is not the way to behave towards shareholders. The unitisation proposals show how worried they've become."

BIDS AND DEALS IN BRIEF

Electra Risk Capital, in conjunction with Dunbar Group, has subscribed 23.5 per cent of Planning Consultancy for £350,000.

Planning's sales last year increased by 253 per cent to £2.6m, with a 400 per cent leap in profits, and directors are planning for turnover to be in excess of £7m for the current year.

* * *

The Williams Lea Group has purchased credit and security card company Guardian Card Systems of Bristol for a cash consideration of £250,000.

Guardian Card Systems is one of the companies involved in discussions with the Committee of London Clearing Bankers' special task force investigating developments linked with high-security photographic credit cards.

The group plans to make further investment in the development of the "safe card" system which answers a wide range of high-security card needs in areas such as identification, access control, and credit control cards.

* * *

In accordance with terms of an agreement dated June 18 1982 for the acquisition of Goodhews (Holdings), Whitbread & Co. has now allotted 827,527 "A" limited voting ordinary shares to former shareholders of Goodhews.

Under the terms of the acquisition, the consideration for purchase was to be fixed by reference to the adjusted net tangible assets of Goodhews as at the balance sheet date of August 2 1982.

The final purchase consideration of £950,000 was satisfied by the above-mentioned allotment of shares.

* * *

Atlanta, Baltimore and Chicago Regional Investment Trust has, through its subsidiary, Atlanta Fund Managers acquired Securities Selection which manages Forexfund.

Forexfund is an off-shore managed currency fund with a current net asset value of approximately $1.7m. The directors do not believe it is a roll-up fund and intend to take whatever steps will be necessary to prevent it being one once sufficient details of proposed legislation are available.

Montagu Investment Management has agreed to continue as investment advisers and Hoare Govett will continue as brokers to Securities Selection.

Atlanta is currently making a recommended offer for Construction Holdings, an investment trust with net assets of approximately £2.7m.

* * *

G.T. Management has acquired a 25 per cent interest in Thompson Clive and Partners from existing shareholders.

Thompson Clive is a management investment group with a strong technology emphasis specialising in emerging companies.

Mr Thomas Griffin of G.T. has joined the board of Thompson Clive in order to foster co-operation between the two companies, which will continue to operate as independent entities.

* * *

Star Computer Group has acquired the assets, goodwill, and certain work-in-progress of Microcomputers for Business and entire issued share capital of Refal 78, a new company, for £53,239 cash.

* * *

As already announced, Edenspring Investments has issued shareholders with full details concerning their proposed acquisition of Oric Products International, the private manufacturer and marketer of microcomputer and electronics systems.

Shareholders have been made aware that when the acquisition has been concluded, Edenspring's share listing will be cancelled on the Stock Exchange and dealings will, in future, take place through selected OTC market makers and under the Stock Exchange Rule 163.

The extraordinary general meeting to approve the transaction is taking place tomorrow at 11 am in the Great Eastern Hotel, Liverpool Street, London.

* * *

Aquarius Hotels, a privately-owned company, has bought the Waverley House Hotel in Southampton Row, London WC1 for £1.6m and plans to spend a further £2.8m on refurbishment.

Waverley House, which has been used as a training centre by the Barclays Bank group, will be converted into a 108-room four-star hotel.

Aquarius owns one other hotel in central London, the 85-bedroom three-star Bedford Corner in Bayley Street, near Bedford Square. The Bedford Corner was bought last year from Bass Charrington's Crest Group and has been extensively renovated.

Kanta Enterprises, the holding company for Aquarius, is owned by the Chatwani family. The hotels are managed by Mr Satish Chatwani, an accountant, and his two brothers.

The Bedford Corner has marketing links with two other London hotels, the 580-room Barbican City and the 107-room Henry VIII of Leinster Gardens, W2, both owned by the Purshottam family.

* * *

The British Technology Group and Western Broadcasting Company have reached agreement in principle for Western to acquire the National Enterprise Board's 40 per cent interest in Systems Programming Holdings. Western already holds 60 per cent of SPH and its bid for the balance has the approval of the Department of Trade and Industry.

Details of the transaction are not disclosed but, it is expected to be completed shortly.

* * *

Of the offer by Exent Engineering for the issued share capital of Helical Bar not already owned by Exent, acceptances have been received in respect of 154,013 Helical ordinary (5.3 per cent) of the issued share capital.

Exent has acquired 26,824 shares, increasing its holding to 1,480,741 (51 per cent). Balance of shares have been placed.

On September 26, Exent had agreed to purchase 1,453,917 ordinary (50.08 per cent).

* * *

Option arrangements with the Swarovski Group, and Mr J. P. Marque made by Ciro Incorporated in relation to an aggregate of 40.2 per cent of Ciro's issued capital have, with the approval of the Takeover Panel, been extended by Ciro until December 15 1983. A further announcement will be made no later than that date.

APPOINTMENTS

New chairman for Philips Electronics

● Mr Anton Poot has been appointed chairman and managing director of PHILIPS ELECTRONIC AND ASSOCIATED INDUSTRIES from January 1. He succeeds Mr J. Th. van der Meer who will retire on December 31. Mr Poot's appointment marks his return to the UK after some seven years at N.V. Philips' head offices in Holland. Between 1971 and 1977 he was in the UK as managing director of Ada Halifax and Philips Electrical. Previously he spent about 20 years with Philips in several Commonwealth countries and South Africa. For English-born Mrs Poot this is a home-coming after her years abroad.

*

The LEE GROUP has centralised the management of its two wire works under one managing director. Mr G. S. Firth becomes managing director of Lee Steel Wire, while remaining managing director of Smith Wires. The headquarters and sales offices for both companies' production will be at the Ecclesfield works of Lee Steel Wire.

*

Mr Lionel Anthony has been appointed a director of GEI INTERNATIONAL. Mr Anthony was a senior executive of the National Coal Board Pension Funds.

*

Mr Roy Haines, deputy treasurer, has been appointed treasurer and assistant general manager of NATIONAL WESTMINSTER BANK'S international banking division. He succeeds Mr Bill Batt who retires at the end of March next year. Mr Ron Porter has succeeded Mr Haines as deputy treasurer of the division.

*

Mr Jonathan Sumner, as director, has been appointed joint managing director of BRIAN BEGG ASSOCIATES.

*

COWAN DE GROOT has made the following changes: Mr David Glassman is to join the board on January 3 as finance director. He replaces Mr Vivien F. Brown, who has been appointed executive chairman of the subsidiary E. W. L. Electric. Mr Richard D. Colburn, chairman of Edmundson Electrical, has been appointed a non-executive director. Mr Martin Rosenhead has also been appointed a non-executive director. Mr Nigel Hails has resigned as a director by mutual agreement.

*

Samuel Montagu vice-chairmen

SAMUEL MONTAGU & CO has appointed Mr Paul Jeanty and Sir Michael Palliser as non-executive vice-chairmen. Mr Jeanty, who has been with the company since 1947 and has been a director since October 1 1952 and a managing director from July 30 1974 will continue to foster the company's international business relationships. Sir Michael, who was appointed a non-executive director on January 17 and was formerly Permanent Under-Secretary at the Foreign and Commonwealth Office and head of HM Diplomatic Service until his retirement in April 1982, will have responsibility for Samuel Montagu's relationships with governments, particularly with regard to public finance advisory contracts.

*

PACKAGE PROGRAMS has appointed Mr Drew Rodger its director of marketing. Prior to joining Package Programs, Mr Rodger was business planning manager of the TSB Trust Co.

*

Mr Fred Humphreys has been appointed director of sales at AES DATA (UK). Prior to joining AES, he spent 10 years with Honeywell Information Systems.

*

The Lee Beesley Group, following its acquisition of MECHANICAL & ELECTRICAL ENGINEERING CO. (WALSALL) has made two appointments to the latter's board: Mr W. A. Rose has become works director and Mr W. J. Keogh contracts director. Mr Rose was assistant works manager with Mechanical & Electrical and Mr Keogh was general manager of Twyver Switchgear, another Lee Beesley subsidiary.

*

TAMWADE has appointed Mr Norman Civval as finance director. He was senior partner in Wood King.

*

Mrs Mary Butler has been appointed a director of BELL & HYMAN.

*

Two board appointments have been made within the VINE PRODUCTS GROUP: Mr Roger Woolf joins the board of Vine Products as business development director for the Vine Products Group. He was marketing manager of the group. Mr Eric Johnson becomes a director of Woolley Duval & Beaufoys, imported wine subsidiary, in addition to his appointment of general sales manager of the Vine Products Group.

*

Mr A. G. Andrews, vice-president of Dennison International, has been elected president of the BUSINESS EQUIPMENT TRADE ASSOCIATION. This will be his second term of office, having previously served as president in 1977-78.

*

Senior post at Co-op Bank

The CO-OPERTIVE BANK has appointed Mr Christopher Ruck as deputy chief general manager. He will join the Co-operative Bank early in the New Year from Williams & Glyn's where he is currently general manager in charge of southern region.

*

The following staff changes have been made at ALLIED IRISH INVESTMENT BANK, London. Mr Denis Nolan, associate director will take overall responsibility for the bank's treasury, which includes head office in Dublin. His time will be divided between Dublin and London. Mr Patrick Ryan has moved from head office in Dublin as associate director with responsibility for UK treasury and investment management. Mr Raymond V. Fletcher has been appointed head of treasury in London. Mr Michael McHale has been made an associate director with overall responsibility for lending activities in the UK. Mr Nicholas Condon has moved from the Cork office as associate director with responsibility for corporate finance and development capital activities in the UK. Lastly, Mr Anthony Fraher has moved from Dublin as chief manager, investment department.

*

Following the appointment of Mr A. K. Black as the P & O main board director responsible for the company's deep sea cargo division the following appointments have been made by the division: Mr Karl Timmermann becomes president of Associated Bulk Carriers—he was formerly vice-president; Mr John Bradley is made a director of P & O Bulk Shipping responsible for the gas trades—he was trade manager.

*

BYRON INTERNATIONAL, manufacturer of the "Petite" children's typewriters, has appointed Mr Barry Steer as director of international sales. This is a new position. He joins from Mettoy, where he was export sales director.

*

ALEXANDER HOWDEN UNDERWRITING has appointed Mr D. B. Hepworth, at present deputy underwriter of marine syndicate 697/695, as joint underwriter with the present underwriter Mr J. G. Thorpe. Mr T. A. Braim has been appointed deputy underwriter of the syndicate.

*

Mr Nick Trendall has been appointed a director of Pointon York (Insurance and Pension Services), a subsidiary of POINTON YORK group. He has been company secretary since June 1973.

*

SUN LIFE ASSURANCE SOCIETY has appointed Lord Bancroft a non-executive director. He was created a life peer in 1982. He entered the Treasury in 1947 and retired in November 1981 as head of the Home Civil Service and Permanent Secretary to the Civil Service Department.

Mr Anton Poot, to be chairman of Philips Electronic and Associated Industries.

*

Mr Brian Clark has been appointed a director of TWINLOCK. *He will retain responsibility* for sales and marketing in Twinlock UK, but will have a wider role in the group.

*

COLLIER, the former John Collier Menswear business, has appointed Mr Andrew Bough its sales and marketing director. He joins from the Burton Group's Top Man chain where he was retail development manager and southern regional manager.

*

Paisley-based engineering, transport and contracting company, ROWAN AND BODEN has made the following board appointments following a reorganisation. Company secretary and director, Mr Charles M. Thompson, becomes executive director with responsibility for two subsidiary companies, Roanoid and Rowan and Boden (Interiors), plus the latter company's subsidiaries. Financial director, Mr Charles Mathieson, becomes executive director responsible for SND Transport, Northampton Machinery Co. and their two subsidiaries, and Mr Mike Butler of G. M. Firth (Holdings) has been appointed to the board of Rowan and Boden.

*

B AND W MOTORS, West Midlands, has appointed Mr Stan Millward, as managing director. He will be replacing Mr R. C. Bradburn who is relinquishing the post to devote his energies to other Bradburn and Wedge Group matters.

*

Mr F. E. S. Hayes, Gresswell Valves, has succeeded Mr W. C. Ferris, Serck Audco Valves, as chairman of the BRITISH VALVE MANUFACTURERS' ASSOCIATION. Mr R. M. Miles, Saunders Valve Co has been elected vice-chairman.

*

DIVERCO has appointed Mr Lawrence S. Nuttall a regional director, who has managed Diverco's business in the north west for the last four years. He is also a non-executive director of the Eagle Star Group.

*

New managing director for General Freight

Mr John Mace has become operations director of the Unilever-owned GENERAL FREIGHT COMPANY *following* the announcement that managing director Mr Gordon Brown is to retire next year. The new post includes responsibility for the operation of the ship's agency, wharfage and lighterage, and the ship's agency business conducted in the name of W. B. Woolley. The new managing director is Mr W. G. Byrnes, who is also chairman of GFI, which controls the General Freight Company as well as freight *forwarder Unispeed* International and the Southampton-based bulk liquids shipping concern Unispeed Intermodel. Mr Mace was director of fleet and chartering operations for General Freight. Mr Doug Parris, managing director of Unispeed Intermodal and a member of the GFI board, is now responsible for the fleet and chartering operations. Until his retirement, Mr Brown assumes the position of external relations director of GFI.

CONTRACTS

£3m for Costain overseas

The Costain Group has won contracts worth around £3m. A contract to install facilities on a pilot steam drive project in Petroleum Development (Oman) LLC's Marmul oil field, located in southern Oman, has been awarded to YAHYA COSTAIN PROCESS. The contract is worth around U.S.$2.5m (£1.66m) and involves the installation and construction of water treatment and steam generating facilities, pipelines and hook-up of these to the water supply wells, gathering and production stations.

COSTAIN PROCESS has been awarded a contract by UAE Engineering Contracting of Abu Dhabi to undertake various modifications on Abu Dhabi National Oil Company's LNG/LPG storage systems' north sea pipetrack on Das Island, UAE. The contract, worth in excess of U.S.$2m (£1.3m), involves the construction of reinforced concrete foundations and retaining wall, replacement of structural steelwork, and installation of approximately 1250 metres of pipe up to 30 inches in diameter.

*

S. W. FARMER & SON, the structural engineering company *within the S. W. Farmer Group* has been awarded three contracts for multi-storey buildings comprising 1,000 tonnes of structural steelwork and £1m in value. The first is for plantroom steelwork at the Lloyds Development in Lime Street, London, using 500 tonnes of structural steel. Also in Lime Street, a contract from Trollope and Colls (City) to supply and erect 120 tonnes of structural steelwork for a multi-storey building with metal decking. At North End, Croydon, SWF will be supplying and erecting 350 tonnes of structural steelwork and metal decking for an extension to the Debenhams department store.

*

PRESS CONSTRUCTION is to refurbish 49 homes at Hartburn under a contract worth nearly £400,000 from Stockton Borough Council. The work will entail a general restoration and upgrading of interiors including installing new windows, kitchen and bathroom fittings, central-heating systems and electrical wiring.

*

HAWKER SIDDELEY DYNAMICS ENGINEERING has received a contract worth over £1m from the German Government for the conversion of its Navy Sea King helicopters to the latest standard of MK1A fuel control for its Rolls Royce Gnome gas turbines.

*

INTERGRAPH CORP of Huntsvile, Alabama, has been awarded contracts by divisions of Volkswagen and Bosch to supply two manufacturing locations with interactive computer graphics systems. Volkswagen do Brasil SA has selected the Intergraph system for use in factory layout. The auto-maker will develop manufacturing layouts using such capabilities as simulation and analysis of material flow, labour and equipment. The Brazilian Volkswagen plant will instal a VAX-11/780-base Intergraph data processor, four of the company's new Interacting workstations, and a complement of *peripheral hardware. The* system will cost about US$800,000 (£533,000). Porsche, West German manufacturer of high-performance automobiles, has purchased an Intergraph computer graphics system for use in car body and engine design.

*

WARWICK PUMP AND ENGINEERING CO. has won a contract to instal a multi-pump high pressure washing system in the Lawson meat processing plant at Dyce, Aberdeen. Valued at over £37,000, the contract calls for the installation and commissioning of a 35 outlet "ring main" system capable of supplying pressurised hot water at 70 deg C at pressures of up to 2,000 psi. throughout the factory. The contract forms part of a £1m modernisation scheme now under way at Lawsons, a Unilever company operating within the Walls Meat Group.

*

MAWDSLEY'S of Dursley, Gloucestershire has received an order for more than 200 Syncane motors worth around £250,000 for the Middle East. They are scheduled for delivery early in 1984 and are all rated at 11¼ kW (15 hp).

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1982							
4th qtr.	98.3	92.9	92	110.7	184.5	2,913	115
1983							
1st qtr.	99.6	94.5	84	111.1	153.1	3,002	124
2nd qtr.	99.1	93.7	88	113.6	158.7	2,967	135
3rd qtr.	101.0	94.9		114.9	165.7	2,950	160
March	99.0	93.7	80	111.9	155.1	3,026	126
April	99.1	93.6	95	112.9	157.8	3,021	134
May	99.9	94.1	90	113.7	159.1	2,970	131
June	98.2	93.2	85	114.0	159.1	2,968	139
July	101.1	95.8	99	113.9	166.8	2,957	153
August	100.9	94.6		112.8	162.8	2,941	162
September	101.0	94.2		117.3	167.1	2,951	164
October				115.5		2,941	167

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
4th qtr.	94.1	90.6	103.7	91.6	93.6	87.0	15.1
1983							
1st qtr.	95.5	92.4	104.9	93.5	101.8	88.2	18.1
2nd qtr.	95.3	89.2	105.6	91.3	106.6	88.0	19.8
3rd qtr.	96.2	90.8	108.2	93.3	104.2	90.0	17.2
February	95.0	93.0	106.0	94.0	101.0	88.0	18.2
March	95.0	91.0	105.0	92.0	101.0	89.0	20.1
April	95.0	89.0	106.0	91.0	109.0	88.0	17.3
May	96.0	90.0	107.0	92.0	106.0	88.0	19.4
June	95.0	88.0	104.0	91.0	105.0	89.0	22.8
July	97.0	93.0	107.0	95.9	108.0	92.0	17.3
August	96.0	90.0	108.0	93.0	98.0	87.0	16.5
September	96.0	89.0	109.0	92.0	106.0	91.0	17.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1982							
4th qtr.	104.6	99.3	+1,215	+2,420	+1,736	98.7	17.0
1983							
1st qtr.	103.5	106.6	−194	+779	+1,764	97.8	17.24
2nd qtr.	101.2	107.7	−654	−313	+1,499	98.0	17.71
3rd qtr.	100.7	108.2	−378	+102	+1,538	99.5	17.90
March	110.9	103.3	+397	+721	+622	97.1	17.24
April	98.6	106.6	−310	−196	+485	97.4	17.66
May	98.7	110.2	−506	−393	+420	97.7	17.92
June	106.2	106.5	+162	+276	+585	99.1	17.71
July	97.0	108.1	−350	−190	+440	99.0	17.94
August	100.4	108.6	−138	+22	+569	99.8	18.01
September	104.7	107.8	+110	+270	+529	99.7	17.90
October							18.10

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1982							
4th qtr.	17.2	12.2	26.9	+4,293	2,139	2,473	10.13
1983							
1st qtr.	9.5	8.1	10.6	+4,456	1,174	2,499	10.50
2nd qtr.	15.3	14.6	15.0	+5,055	1,071	2,498	9.50
3rd qtr.	8.5	8.4		+1,519	2,098	2,608	9.50
March	10.7	10.0	11.9	+2,048	397	850	10.50
April	12.1	13.7	13.6	+2,010	433	783	10.00
May	15.6	13.5	12.8	+1,089	319	847	10.00
June	18.1	16.5	18.5	+1,956	319	868	9.50
July	14.0	12.5	21.5	+ 778	739	782	9.50
August	11.5	10.8	22.5	+ 667	525	937	9.50
September	0.6	2.1		+ 74	834	889	9.50
October					1,010		9.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
4th qtr.	141.8	119.4	120.1	325.4	298.5	236.84	83.1
1983							
1st qtr.	144.7	124.6	121.8	327.0	302.1	277.29	80.5
2nd qtr.	148.0	123.6	124.2	333.7	306.3	272.89	84.3
3rd qtr.	150.8	124.7	125.1	338.0	310.4	288.14	84.9
April	146.0	123.1	123.6	332.5	304.6	274.56	82.8
May	148.3	123.8	124.3	333.9	305.6	267.01	84.9
June	149.7	124.0	124.6	334.7	308.8	272.89	85.2
July	151.7	123.2	124.7	336.5	308.7	282.26	84.8
August	150.4	124.6	124.9	338.0	309.4	293.02	85.1
September	150.4	126.4	125.7	339.5	313.0	283.14	84.8
October		125.9	126.3	340.7	314.5	283.18	83.4

* Not seasonally adjusted.

JOBS COLUMN

If it's round at the top it's flat underneath

BY MICHAEL DIXON

"*LOOKING at who's getting the* real top jobs in the States, I guess they're going less than they once did to new blood pumping up from lower down," said Paul R. Ray, son of Paul R. Ray and his fellow director in the Paul R. Ray International recruitment consultancy.

"Instead they're being filled *more and more by the same* small pool of proven talent moving round and round from one corporation to another. D'you find it's the same in Britain?"

I replied that while it was only an impression, I suspected a top-manager-go-round of similar sort might well be develop*ing* here.

That would not be an illogical consequence of two managerial events. One is recession. The second is the lowering of the age when executives not already heading their organisation are condemned to be stuck somewhere in its gullet until retirement or the sack supervene.

In the olden days two decades or so back, the age at which leaders were finally divorced from laggards was usually in the 50s when both parties had relatively few years of work to go. Today those not selected before they are much past 40 *are liable to be stranded.* The decisive age seems to be dropping still.

Rising numbers of accredited senior managers with a third of their working life in hand could easily couple with the *effects of the recession to de*press other people's career prospects all round. When a peak post comes vacant, organisations shaken by hard knocks may understandably prefer importing a seasoned chief from elsewhere to promoting someone as yet untried at the top. Moreover younger chiefs oper*ating at a distance are often* better placed to impress older chiefs seeking successors than are lower-level people in the same concern.

The people left stranded do not accept it as proof that they are *inferior managers.* Research has shown that a large majority think that top posts go more *often to people with political* skills than to those that really earn the company's living. Since it is no longer a secret even from the young that contacts can mean more than competence in the upper reaches of the jobs market, the sceptical left-behinds may often be right.

Their problem is how to get a chance of making better use of the two decades worth of productive potential they still have.

Executives kept becalmed at middle rank do not take long to lose all attraction to chiefs of other organisations seeking promotable people from outside. *Things have changed in execu*tive recruitment since S. Mathew said something like: "A prophet is not without honour, save in his own company. . . ." It is now more a case of being without honour anywhere if you do not have it where you are already, and before your mid-40s too.

So it is in the self-interest of people suffering from or menaced by *frustration* of their talents *to* think up ways of acquiring more honour in their present organisation. And as they no doubt make up a goodly share of the readership of this column, it is offering itself as a clearing house for ideas on the matter *to be reported on a no*-names-no-backlash basis.

Suggested tactics need not be *any more scrupulous politically* than the sort of dodges often used by people to lever themselves into top management. But they must be at least legal.

All I can offer as a starter is a notion evoked by something else *that Paul Ray said when we met* the other day:

"Being headhunted is now an important mark of status in the States. Top executives who aren't approached by a search company every six months or so are *getting to feel they can't hold* their heads up any more."

Doesn't that suggest there might be mileage in somebody setting up a search-type of business with certain unconventional aspects?

One could be that it worked for a very small fee, paid by the stranded executive to be "hunted." Another might be that it was less competent than conventional searchers in directing its telephone calls. As a result it *would occasionally* be under the impression that it was making advances to its quarries when it was really speaking to their bosses or — better still — their bosses' bosses, or even to a chief in a different company in a similar line of business.

On reflection, I'm surprised not to have heard of anybody doing it already.

Eurosales etc

WE NOW return firmly to conventional practice with two jobs being offered by recruiter Michael Butterworth of MARC St James and Partners on behalf of companies he may not name. He therefore promises to abide by any applicant's request not to be identified to the employer without specific permission later.

The first is a company based west of London and well on the way to adding three-quarters as much again *to* its last year's £4.5m turnover in the development and marketing of software systems. It needs a European sales manager who will be responsible to the manager of UK operations for advising on the development of the product range as well as all sharper-end sales activities. Much travel.

Fluent German is essential in addition to English, of course, and good French would be a help. The only other necessity is success in selling high-technology products, preferably software, in large dollops to manufacturers of microcomputers and suchlike.

Salary indicator is £20,000-£25,000 plus results-related bonus. Car among perks.

The other job is for a manager in charge of new-business *development for a major* group's division specialising in do-it-yourself goods for sale to retail outlets. There will be frequent travel around the UK from the Midlands base.

Reporting to the marketing director, the recruit will need management experience at branch level or higher with a *big maker or distributor of* d-i-y products, specialist knowledge of marketing or finance and a degree-level education.

Salary £12,000-£14,000. Other benefits include a car.

Inquiries to Mr Butterworth at 160 Piccadilly, London W1V 0NQ. Telephone 01-409 0848.

Two more

TWO POSTS are also on offer in London with Cockman, Copeman and Partners, now part of the Aidcom International group which is seeking a full Stock Exchange listing. CC & P's original business was designing and installing schemes to promote share-ownership by companies' employees and this is still its main concern.

But it has now added to its financial services side other kinds of incentive-raising systems including performance-related pay for managers, especially the senior variety, and flexible pension schemes. *It also has an executive*-recruiting branch.

Richard Greenhill, whose *prime responsibility is for the* financial services side of business, is seeking somebody able and keen to help him to develop it. "What's needed is wide experience and technical expertise in working out and putting in the kind of incentives system that is right for the individual company in the case. That *means understanding strategies* as well as tactics governing the whole range of options, including employee *share-ownership* which I'm still convinced will be the norm by 1990," he says.

Richard Varcoe, who runs the recruitment *branch*, wants a partner able to extend the recruiting activity into some promising specialised field. His present idea is that the field should be financial institutions, but he is open to different suggestions from *candidates* with appropriate knowledge and experience of other sectors.

Salaries in both cases around £15,000-£20,000 plus share in results.

Inquiries to Mr Varcoe at 26-28 Bedford Row, London WC1R 4HF. Tel: 01-242 8998.

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For full details and application form, write quoting TC/500/9/38 or telephone 01-222 7730 ext. 3639. The Crown Agents for Oversea Governments & Administrations, Recruitment Division, 4 Millbank, London SW1.

Group Chief Executive
c£25,000+ NW London based

This is an outstanding opportunity to join at top management level. a long-established quoted public holding company (with a current turnover of some £20 million p.a.) engaged in the heat management and fuel distribution industries. Reporting directly to the Chairman, you will have overall responsibility for the profitability of the companies within the group. Furthermore you will oversee the day-to-day management of the group administrative personnel. Aged ideally 35-45 you will have had a minimum of five years' experience at senior management level within the heating and fuel distribution industry. The company offers a first-class negotiable rewards package which will fully reflect the seniority of this position.
Send full cv to Tony Farnell, PER's Central London Office, 4-5 Grosvenor Place, London SW1X 7SB.

Newly Qualified Accountant
Up to £13,412 London W1

BRITISH GAS

British Gas has a vacancy for an Assistant Accountant, recently qualified ACA or ACCA, seeking to gain specialist experience in the oil tax field. The successful candidate, male or female, will assist, and deputise for, the Oil Taxation Accountant in the Finance Group. Specific responsibilities include involvement in long-term forecasting of tax liabilities. Previous experience in oil taxation is not necessary although general taxation experience would be an advantage. Starting salary will be in the range £11,767-£13,412 (including Inner London Weighting). Benefits are those normally associated with a large progressive organisation. Please write with full career details quoting reference F/035101/013 to: Senior Personnel Officer (HQ Services), British Gas, 59 Bryanston Street, London W1A 2AZ.

PER, Moorfoot, Sheffield, S1 4PQ. Central 24 hours answering service (0742) 750197.
Applications are invited from both men and women.

Merchant Bank
Early/mid 20's

An exciting job within a specialist team is currently vacant at the City offices of our Clients, one of the largest European merchant and commercial banks.

They currently seek to appoint a man/woman in his/her mid 20's to join their London Commodity Lending team (a field in which the bank has a considerable reputation), but experience in this area is not a requirement. You should, however, have about two years' merchant banking experience, have received some formal training in credit analysis and be a natural and numerate communicator. The ability to fit into a busy team, accept early responsibility and develop rapidly is paramount.

Because of the nature of the work a good knowledge of French and/or another major European language is essential, and a Degree is desirable.

The job will be in London initially, but long-term prospects are on a world-wide basis. In addition to a generous negotiable salary, there are the usual banking benefits including a subsidised mortgage.

Please reply in confidence to Keith Fisher at Overton Shirley and Barry (Management Consultants), Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-583 1912.

Overton Shirley and Barry OSB

INDEPENDENT FINANCIAL COUNSELLING

R. Watson and Sons wishes to increase its capacity to make available independent confidential financial counselling for the employees of its large corporate clientele who are approaching retirement.

To this end, the Firm is seeking to appoint a person with extensive experience in this field to be responsible for setting up an appropriate service and establishing its mode of operation in accordance with mutually agreed guidelines.

The individual sought should have a sound practical knowledge of personal tax, social security benefits and the principal available investment media, including those currently offered by UK insurance companies, building societies, unit trusts and national savings.

He or she should also have experience of recruiting, training and supervising staff, and the ability to manage the administration of the service with a high degree of efficiency.

Above all, in making the appointment, the Firm will be seeking an individual of professional standing, preferably backed by an appropriate professional qualification, who will place the same value on impartiality and integrity as the Firm does.

The Firm is located in modern offices 25 miles from central London. An attractive salary and benefits package is offered to reflect the seniority of this appointment.

Please apply in writing with full particulars to:

F. G. Lehaney,
Personnel Manager,
R. Watson & Sons,
Watson House,
London Road,
REIGATE,
Surrey RH2 9PQ

R Watson & Sons
Consulting Actuaries

Guardian Royal Exchange Assurance

Corporate Trusts
Salary £14,000 – £18,000

Two senior positions have become vacant in the Trustee Department City Office of one of this country's leading and most successful insurers. The main responsibilities are in the fields of Unit Trusts and Loan Capital Trusts and a sound practical knowledge of one or both of these subjects is essential. Preference will be given to candidates with legal or accounting qualifications.

It is a feature of both these vacancies that progression to Managerial level is expected to be achieved at an early date. Therefore, candidates should have the capacity to take Managerial responsibilities and must possess the necessary skills, especially the ability to lead and motivate staff.

Initial salary, which is dependent upon experience and the responsibilities of each position, will be in the range £14,000 – £18,000 p.a. (including Central London Allowance). The terms and conditions of employment are excellent and include non-contributory Pension and Life Assurance scheme, concessionary staff housing loans (*available in certain approved cases*), interest-free season ticket loans and free luncheon facilities.

Please apply by telephoning for an application form which should be completed and returned to:–

M. K. Paisley, Personnel Officer, Guardian Royal Exchange Assurance plc, Royal Exchange, LONDON EC3V 3LS. Telephone: 01-283 7101 Ext. 4508/9.

County of Cleveland

COUNTY TREASURER'S DEPARTMENT
Loans and Investment Officer £13,395-£14,703

The person appointed will head a small professional team dealing with the Council superannuation fund and loan debt.

He or she will enjoy substantial responsibility for day-to-day *management* of the fund, in which performance is important and will be assessed regularly. He or she will also be expected to manage the Council's loan debt with minimal day-to-day supervision.

The fund has a current value of £150m, with holdings in fixed interest, U.K. and overseas equities, and property. Management is largely on an "in-house" basis, making use of modern information technology. Loan debt amounts to £240m of long- and short-term borrowings.

The successful candidate is likely to hold an accounting qualification, to have passed the examinations of the Stock Exchange, and to have had several years' experience in stockbroking and/or fund management.

Assistance with removal and relocation expenses will be provided in approved cases. Temporary housing accommodation may also be available within the county area.

Application forms are obtainable from the County Treasurer, P.O. Box 100, Municipal Buildings, Middlesbrough, Cleveland TS1 2QH (telephone 0642 248155 ext. 2257), to whom completed forms should be returned by 1st December, 1983.

We are an equal opportunities employer.

Internal Auditors
Banking

A Third World Bank with world-wide operations is seeking Audit Semi-Seniors with audit experience exceeding two years. Preference will be given to candidates with Audit experience of banking operations. Suitable candidates aged not over 25 years, will be those who are interested in making a career in the Internal Audit Department as part of a branch and Head Office audit team. The job entails travelling both in U.K. and abroad.

Attractive remuneration package includes contributory Pension Scheme, Season Ticket Loans and subsidised House Loan Scheme.

Please apply in confidence along with full c.v. and a passport-sized photograph to:

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10 Cannon Street, London EC4P 4BY

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London and the Home Counties
£c12,000 + Benefits

Wincanton Contract Hire continues to expand their vehicle contract hire fleet across all sectors of the industry backed by a widespread associated dealer network.

The expansion of our business leaves us with no alternative but to seek additional Contracts Managers based in London and the home counties. Our Contracts Managers who are experienced in all aspects of sales negotiations, secure contracts with the heads of fleet user companies in a highly competitive environment. Thereafter they are responsible for the smooth running of that contract.

We should be glad to have full details of your background if you have this kind of experience and can fit into our multi-disciplined team. We believe that the salary, commission, benefits and company car match the demands of the role.

Applications to Mr Geoff Mitchell, Sales Director, Wincanton Contracts Ltd., Wincanton House, Western Avenue, London W3 0SH.

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Barratt Leicester Ltd are looking for an ambitious person to become their Sales Director with responsibility for sales and marketing throughout the East Midlands.

This extremely *challenging* position requires total commitment together with a high degree of experience in sales and marketing.

An excellent salary is offered together with all the benefits you would expect from a large company.

Applications in writing giving full c.v. to
Mr. J. D. Maxwell, Managing Director, Barratt Leicester Ltd,
Charnwood House,
Barkby Thorpe Lane,
Thurmaston, Leicester.

Barratt
Building houses to make homes in.

FINANCE DIRECTOR
LONDON

Small company — turnover £5 million current year, planned expansion next 3 years, invites applications for new appointment of FINANCE DIRECTOR to commence early 1984. Previous overseas employment plus knowledge of Africa and North America *would be positive advantage. Immediate challenge on* appointment includes ideas on restructuring.

Please reply in strictest confidence enclosing full C.V. to Managing Director:

Box A8367, Financial Times
10 Cannon Street, London EC4P 4BY

Institutional Equity Marketing

Due to the rapid growth of our institutional equity business, both at home and abroad, we are seeking to expand our equity marketing team, based in London.

We believe that we are well structured and equipped to face the challenge of the 80's and would be interested to hear from well established people, with sales experience at senior level, who feel that a change of direction is necessary. An opportunity to work overseas may develop at a later date.

If you have the right background in research based marketing and would like to work for a major firm, please write with brief c.v., in confidence, to:

Scott Dobbie,
Wood, Mackenzie & Co.,
62/63 Threadneedle Street,
London EC2R 8HP
or telephone for an initial discussion on 600 3600.

WM

Wood, Mackenzie & Co.
Members of The Stock Exchange

Managing Director
Computing and Electronics
£50,000 – £60,000

This cash rich public company has over the past five years nearly doubled its sales and increased its pretax profits by over three times.

The Managing Director will have the task of planning and executing its diversification into related fields through acquisitions and in setting up a holding company operation with profit responsible subsidiaries.

At least five years' experience as a profit responsible general manager is essential in electronics, computing, telecommunications or related fields and of achieving rapid growth in sales and profits. Experience of negotiating acquisitions or direct investments would be an advantage. Age 35 to 45.

Remuneration, including profit geared incentive around £50,000 – £60,000. Share options and good fringe benefits.

Please communicate in confidence with P. M. E. Springman.

MSL EXECUTIVE SEARCH LIMITED
International Management Consultants
52 Grosvenor Gardens London SW1W 0AW
Tel: 01-730 0255

Foreign Exchange/ Money Market Analyst

We are creating a new position of FX/Money Market Analyst to strengthen the staff support for our market makers and sales teams in Foreign Exchange, Sterling, Eurodollars and other money markets. The specific brief will reflect the selected candidate's experience and inclinations. Emphasis is on short term analysis.

Reporting to a Vice President, the candidate should be aged 23-25 years, have 'A' Level Maths, a good degree and two years' experience in, or close to, money market activities. Proven determination and competence, an analytical frame of mind and an ability to communicate effectively with market participants are essential requisites for the job. The position may attract people who have worked on the trading or sales desk and now wish to pursue a more analytical approach to the market, or to an analyst already active in the relevant markets.

In addition to an attractive salary a full benefits package is offered in line with normal banking practice.

Please apply in confidence, giving details of experience, to Maureen Donelan, Personnel Department, Bankers Trust Co., Dashwood House, 69 Old Broad Street, London EC2P 2EE.

Bankers Trust Company

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Major North American banking name is seeking a dynamic, innovative, foreign exchange operations expert to oversee the smooth and efficient running of their new and profitable venture into the money markets.

Please Contact David Little

FUND MANAGEMENT

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Please Contact Peter Latham

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

Special Advisor
International Banking
Legal/Tax Related Projects

Age 27-30 — **c.£20,000 + banking benefits**

The position of Special Advisor is offered by a long-established, foreign-owned, UK-registered bank in the City of London. Total staff is approximately 250 and the bank has an excellent reputation in its field.

The advisor will work on behalf of the directors and senior executives on a wide variety of ad hoc matters generated by the bank's activities. There will be a legal or taxation angle to much of the work, involving liaison with external specialists.

Candidates will be law graduates with an accounting qualification or barristers or solicitors with relevant experience. Prospects are excellent and only ambitious potential high-flyers will be considered.

Please write in confidence, detailing your experience and quoting reference 4456/L, to N.P. Halsey, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

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For a major international firm which is expanding the treasury consulting services it offers to a growing range of domestic and overseas clients.

Your work will include studies of the scope and effectiveness of corporate treasury functions; surveys of banking relationships and competitive services; and the design and implementation of treasury information systems. Operating up to director or treasurer level, it offers a good platform to move into a senior treasury position within a few years.

You should be a graduate or MBA in your early 30's and preferably with an accounting qualification. Your career will include not less than three years within the treasury function of an international corporation, which could be supported by a period in UK or foreign banking.

Write in confidence to John Cameron at 10 Bolt Court, London EC4, quoting ref. C161 (telephone 01-583 3911).

Chetwynd Streets
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[illegible] English and German language abilities both oral and written, and 2/3 years' [illegible] experience.

STRAIGHT EUROBOND TRADER
With the ability to expand and develop a straight U.S. dollar trading book. Minimum of 2/3 years' active dealing experience.

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We offer attractive salaries and full fringe benefits package. For further information and application form please contact:

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GIROZENTRALE VIENNA
Morgan House, 1 Angel Court
London EC2R 7AL
Tel: 01-726 4456

Foreign Exchange Dealer

The NM Rothschild & Sons Trading Room, which covers the Foreign Exchange, Eurocurrency, Sterling, Eurobond and Bullion markets, has a vacancy for an experienced Foreign Exchange Dealer who has been engaged on spot dealing in the major European currencies.

The successful applicant will be aged between 27 and 33 and have a thorough grounding in this area of foreign exchange dealing.

An attractive salary with a comprehensive range of related benefits will be offered to the right candidate.

Please write with full details of career to date to:

**P E Jones, Personnel Director,
NM Rothschild & Sons Ltd,
New Court, St Swithin's Lane,
London EC4P 4DU**

NM Rothschild & Sons Limited

INTERNATIONAL BANKING

SNR. FX DEALER
The developing London Branch of a well respected Int. Bank wishes to recruit a person who has at least 3-4 years experience of FX dealing covering spot, forward and arbitrage trading. Money market experience would also be useful. Candidates should ideally be mid-late 20's with aspirations/ability to progress towards the Chief Dealer role in the short-term.

BOND SALES EXECUTIVE
A major International Merchant Bank—one of the leading names in the capital markets — has an opening for a top Eurobond Sales professional. Candidates will have at least 2-3 years relevant experience with an emphasis on FRN related activity and current earnings in excess of £20,000. Interested parties are invited to contact us in strict confidence to discuss this position.

EUROBOND SALES
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CREDIT ANALYST
For an ambitious Credit Analyst, mid-late 20's and ideally having the benefit of US Bank training, an outstanding opportunity to develop towards a marketing role with a prominent International Bank.

MARKETING MANAGER
Our client, a major International Bank, requires an experienced marketing executive to lead the lending activity of its London Branch. The ideal person will be 30-40, currently engaged in business development activities at the highest levels, and capable of responding to the challenge that this role offers. Candidates for this position are likely to already be earning in excess of £25,000.

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Jnr. Credit Analyst	c £9,000
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Eurobond Settl.	£7-10,000
FX Dealers	£10-25,000
Loan Syndications	c £15,000
Operations Manager	£ Neg.
Admin./Personnel	£12,000 +
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Gordon Brown Bank Recruitment Consultants Ltd.
85 London Wall, London EC2M 7AD — Telephone: 01-628 4501

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*Box A8368, Financial Times
10 Cannon St, London EC4P 4BY*

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We wish to recruit an exceptional person to head up a team providing advice on the deployment of assets in the U.K. and overseas markets. The post demands an active intelligence, substantial economic expertise and experience and understanding of markets.

The position occupies a key role in the Research Department and provides an established service to institutional clients and to our own portfolio managers.

Preference will be given to applicants who can demonstrate achievements in this field, but applications from those with economic qualifications and sound market judgment will be of interest. Clarity of approach and the ability to express views lucidly in writing and verbally are prerequisites.

The salary, together with participation in the profits of the business, will reflect the importance of the appointment which offers the opportunity of a progressive career in an ambitious and profitable business.

Please apply in confidence giving details of career to date to:

James Neill, Personnel Manager,
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Please address applications to:

Nolan, Norton & Company
Robert P. Wilder, Managing Principal, Europe
Room 2, One Lumley Street, London W1Y 1TW

ECONOMIST STOCKBROKING

Montagu, Loebl, Stanley & Co. require an economist to work primarily with their Gilt Edged Department but also provide economic back-up to the firm's equity research activities. The successful candidate will have an economics degree and a working knowledge of statistics. He or she will be capable of writing reports, interpreting and forecasting data relevant to the financial markets and maintaining contact with clients on economic matters. It is anticipated that the applicant will have some experience of this type of work.

Remuneration by negotiation, subject to age and relevant experience.

Please reply in confidence, enclosing full curriculum vitae, to:

Charles Pendred
MONTAGU, LOEBL, STANLEY & CO.
31 Sun Street, London EC2M 2QP

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INSTITUTIONAL EQUITY SALES

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We require an additional salesperson with current experience of selling North American equities and options to UK institutions.

In addition to the ability to market successfully fundamental research, a working knowledge of technical analysis would be an advantage in order to exploit the extensive capabilities of a proprietary technical service.

We are offering a first class remuneration and benefits package based on salary plus incentive bonus.

Please write or telephone:

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DOMINION SECURITIES AMES LTD.,
Capital House, 22-24, City Road, London, EC1Y 2DY.
Telephone: 01-628 4266

Head of Finance
Investment Group

£30,000 plus — **London**

Our client is a successful investment holding company with a variety of interests centred mostly upon shipping and North Sea oil.

A qualified accountant with commercial acumen is sought to be a member of the executive team.

Familiarity with the corporate structure of international companies is required, together with a knowledge of stock exchange regulations and practice and Foreign exchange dealings.

The ideal candidate will already hold a senior financial appointment in a successful international company. Aged between 35 and 40, candidates will be required to demonstrate that they can contribute to the continued success of the business.

Advancement to Financial Director is possible in due course.

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*Write Box A8375, Financial Times
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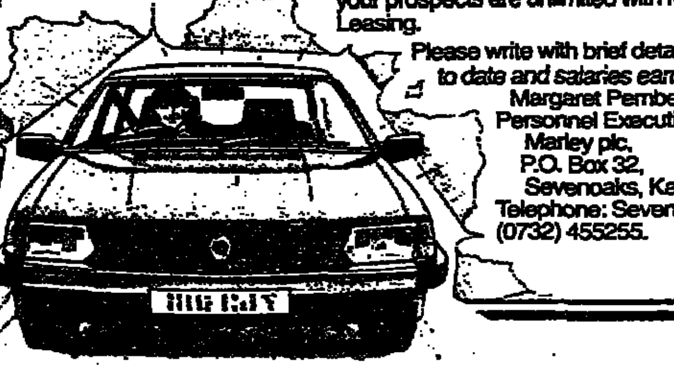

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City based

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This new position will report to Senior Management in London Office and will be responsible for implementing business strategy. Other responsibilities include the ability to market, structure and negotiate loan packages independently or as part of a team, ensuring growth and profitability as well as working in close collaboration with Group subsidiaries.

We invite applications from mature bankers aged 30-40 who are graduates with at least 10 years' banking experience, mostly gained in syndicated lending and/or project finance at a senior executive level in a major domestic or international bank.

In addition to the salary first class terms include non-contributory pension, subsidised mortgage and a car.

If you match the requirements, please ring or write for an application form by 25 November. All replies will be treated in confidence.

International Recruitment Controller
The Hongkong Bank Group
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London EC2P 2LA
Tel: 01-638 2366, ext. 2923

HongkongBank
The Hongkong and Shanghai Banking Corporation

Group Finance Director

London Area **c £35,000**

Our client is a major international US-owned group whose interests are mainly fmcg and consumer services.

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Aged 35 to 45, candidates must be chartered accountants with relevant experience gained ideally in the fmcg or similar environment.

The remuneration package is generous, and there may well be opportunities for advancement within the group.

Please write to Michael Ping, enclosing a detailed CV, quoting reference FT/603/P.

E&W Ernst & Whinney Management Consultants
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

INVESTMENT ANALYST
(Scandinavian Markets)

Enskilda Securities, Skandinaviska Enskilda Limited, is the London based investment banking subsidiary of Skandinaviska Enskilda Banken, the largest commercial bank in Scandinavia. During the last year Enskilda Securities has built up a team which specialises in trading and selling Scandinavian equities. An experienced investment analyst is required to provide research back up for this equity trading and sales team.

The ideal candidate, who will probably be a graduate, should be in the age group 25-30, and must have had a minimum of 3 years experience in this field. The candidate must be capable of producing detailed research reports and discussing them with clients. Prior knowledge of the Scandinavian markets, although desirable, is not essential.

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Telephone or write in complete confidence to:
Gerard De Geer
Enskilda Securities
Skandinaviska Enskilda Limited
26 Finsbury Square
London EC2A 1DS
Tel: 01-638 3500

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I.L. Duff, Ref: 18037/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852,
Sutherland House, 5/6 Argyll Street, LONDON, W1E 6EZ.

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Applications are invited from candidates for the post of principal of this tertiary college following the retirement of the present post holder. Candidates should have substantial experience in further education and a commitment to the development of post-16 education and training. Industrial or commercial experience at managerial level would be an added advantage.
Salary scale within the upper range for Group 7 Principals £21903-£22905.
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If you are interested and have the necessary qualifications please apply in writing with a full C.V. to:

Mr Neil Lefort, European Financial Controller
MOLEX EUROPEAN MANAGEMENT LIMITED
Molex House, Church Lane East, Aldershot, Hants GU11 3ST

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An excellent opportunity exists in marketing team of US merchant bank for a numerate graduate (Economics preferred), MBA or possibly qualified accountant with 2/3 years' experience of swaps, corporate finance, bond issues, funding etc. Merchant or investment banking background preferred but corporate treasury or forex dealing experience also relevant.

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Gradute with two years' general experience in corporate finance department of merchant bank/acceptance house required by merchant bank to join team marketing financial services to international corporations and governments. Excellent opportunity for ambitious applicant.

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AMBITIOUS FINANCIAL PROFESSIONALS seeking better prospects and security should write to K. M. D. Usher, Hill Samuel Life & Investment Services Ltd., 50 Pall Mall, London SW1Y 5JQ.

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Box A8373, Financial Times
10 Cannon Street, London EC4P 4BY
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Good salary and benefits.

Candidates should apply with Curriculum Vitae to: Box A8382 Financial Times, Bracken House, 10 Cannon Street, London, EC4P 4BY

APPOINTMENTS WANTED

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42-year-old A.I.B. with excellent record in management, financial accounts, inspection and general administration both at home and in developing countries, seeks interesting and rewarding position. Would consider a move from the profession for the right opportunity. Currently on overseas assignment but available at short notice for discussion.
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Quantitative Analysis Service, a New York-based investment research group using momentum techniques, is looking to expand in London.

We are seeking an outstanding motivated individual with fund management experience. The successful candidate will also be responsible to establish and service clients.

If you have the demonstrated capacity to fill such a position, please submit a full c.v. in complete confidence to:—

QUANTITATIVE ANALYSIS SERVICE LTD.
Diana House, 33 Chiswell Street
London EC1Y 4SE

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Administration Manager for small, well-established, independent financial services company in Devon coastal town. The ideal candidate would be young, energetic and with experience in administration of stock exchange/unit trust/offshore fund investment, private client portfolios, life assurance and personal pensions. Knowledge of personal taxation advantageous, including matters affecting ex-patriates. The post could interest a CA with about three years' post-qualification experience wanting to develop a career outside the accountancy profession and with the possibility of equity participation in due course. Write with CV stating current and expected salary to:

Box A8378, Financial Times
10 Cannon Street, London EC4P 4BY

Accountancy Appointments

Accountancy Appointments

MANAGEMENT CONSULTANTS ACCOUNTANTS

Part-time consultancy assignments available South-West London, Surrey, Middlesex, Berks., Bucks., involving the development of private companies. Applicants should have experience in business planning together with proven consultancy skills.

C.v.s in confidence to:
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Financial Times
10 Cannon Street
London EC4P 4BY

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Tel: 01-588 3576 Telex 887374

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This appointment, the result of internal promotion, calls for qualified accountants (A.C.A. or A.C.M.A.) aged 27-35. At least four years business experience is required including not less than two years in costing and management accounting. Ideally this will have been gained in manufacturing industry or distribution. As a member of a young multi-disciplined corporate audit group and reporting to a Team Manager, the successful candidate will be responsible for the largely independent investigation/recommendation of operational and management controls with the aims of improving assets security, efficiency and group profitability. Essential qualities are drive and initiative, a positive but tactful approach and the ability to gain co-operation and win confidence at all levels. Extensive travel, U.K. and abroad, is involved and a facility in French/German will be a definite asset. Initial salary negotiable c.£12,000, car, contributory pension, life assurance and assistance with relocation expenses, if necessary. Applications, in strict confidence, under reference SCAQ62/FT, to the Managing Director:

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED
35 NEW BROAD STREET, LONDON EC2M 1NH. TEL: 01-588 3588 or 01-588 3576. TELEX 887374. FAX: 01-638 9216
* Please only contact us if you are applying for the above position

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Accountant
International Banking

Up to £15,000 with generous benefits package
Age: 25-30 City

Our client, the Standard Chartered Bank, has a vacancy within its Finance Department for a young qualified accountant. The initial assignment is to assist in the development of computerised systems to facilitate management decision making. The successful applicant can then expect to progress to a managerial role either in the Bank's Head Office or on secondment overseas.

This opening represents an outstanding opportunity to join Britain's largest independent international bank. Candidates should have a good degree and at least one year's post qualification experience. Some exposure to and an interest in computer systems are essential; experience of auditing banks would be an advantage.

Please apply to Anthony Jones, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG.
Tel: 01-242 5775.

Career plan LIMITED
Personnel Consultants

Financial Manager

Borehamwood, Herts c£17,000 + car

As a result of internal promotion our client, a principal manufacturing subsidiary (T/O £23m) of a major international group has created a vacancy for a Financial Manager. The successful candidate, supported by a staff of 30, will report to the local Managing Director and be a member of the local management committee. Responsible for the total accounting function he/she will also be in charge of data processing (which covers all business systems). Candidates, aged 30-35, must be Chartered Accountants, preferably with a degree, who have gained a minimum of three years' industrial experience. The group offers excellent opportunities for promotion, including transfer into general management. Ref. 1284/FT. Write or telephone for an application form or send full details to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

Finance Director

London
Up to £25,000
+ Profit Share + Car

Our client is a major construction group whose policy is to decentralise authority and responsibility to individual companies. Consequently an exceptional opportunity has arisen in London for a Finance Director to join the Board of an important subsidiary with a turnover of £30m.

This new appointment carries responsibility for establishing the complete financial management function within a rapidly growing and successful company.

Candidates, probably aged 35/45, must be qualified accountants with considerable experience at senior level, preferably in construction or a related industry. In addition to sound practical experience of managing an accounting operation, applicants should have the maturity and commercial judgement to make a significant contribution to the general management of the business.

The remuneration package is flexible and includes a profit sharing scheme which can add substantially to total earnings. Relocation expenses will be reimbursed where appropriate.

Please write in confidence, with brief career details, to Peter T. Willingham (Ref LM62), Spicer and Pegler Associates, 56-60 St Mary Axe, London, EC3A 8BJ.

Spicer and Pegler
Associates
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Chief Accountant

Central London £15,000 + car + benefits

Our client is a market leader in its field and provides computer based information and computerisation facilities to the Securities Industry within the UK and Europe. Technical expertise, market development and flexibility are major contributors to the continuing success of this UK public group.

A commercially-minded Chief Accountant is sought aged 28-32. Candidates will be qualified Accountants with at least two years' p.q.e. in a fast-moving and progressive environment. Reporting to the Finance Director, the role encompasses the production of detailed management reports within strict deadlines. Familiarity with computerised accounting and information systems is necessary and some European travel will be involved.

First class communication skills are vital and the person appointed will have the ability and personality to match the Company's outstanding performance; in return a generous remuneration package is offered, including bonus, car and non-contributory pension scheme.

Candidates should write to Andrew Sales, FCCA, in confidence, enclosing a comprehensive curriculum vitae, quoting ref 954 at PO Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

FINANCIAL MANAGER

CITY **£15,000-£18,000 + Bonus**

We wish to appoint a young (25-35) qualified accountant whose personal qualities include graduate-level intellect and a determination to succeed. The person appointed will be totally responsible for all financial aspects of our operation, including:

Client accounting	Partnership accounting
Management accounts	Gilt settlement control

Supervision of a small but growing team

Previous experience of Stock Exchange or banking techniques is preferable but not essential.

Remuneration is negotiable and flexible for the right candidate.
Substantial career and earnings progression.

Write to: Peter Clowes, Senior Partner
BARLOW CLOWES & PARTNERS
Warnford Court, Throgmorton Street, London EC2N 2AT

Finance Director

S. Wales to £25,000

Dynamic British industrial development group seeks a finance director for a profitable expanding high-tech manufacturing subsidiary with an eight figure turnover. This is a total financial control role, with a massive need to bring systems and controls up to scratch, develop them to match substantial corporate growth and to prepare the company for flotation. Car, bonus and equity are offered.

Candidates must be qualified accountants with controllership experience in an autonomous profit centre within a disciplined group. Evidence of personal contribution to past environments is crucial. Age: say 35-45. We require communicative financial managers, not just accountants, but past hands-on production accounting experience is vital.

For full job description write in confidence to Peter Purdon at JC&P, 104 Marylebone Lane, London W1M 5FU, showing clearly how you meet our client's requirements, quoting ref: 809/FT. Both men and women may apply.

JC&P
John Courtis and Partners

FINANCIAL CONTROLLER, ACA
TO £20,000

Qualified Accountant with experience in industry — must be computer literate. A person aged 30-45 years would be ideal for this high powered position. Excellent prospects for future advancement. W1 engineering company.

TEL: 01-831 7622
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ACCOUNTANCY APPOINTMENTS

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Treasury Accountant

c.£12,000

Our client, an international group with a wide range of manufacturing activities requires an accountant for their Group Treasury Department situated at their Head Office in London.

Duties include managing the U.K. leasing facilities, analysing group cash flows, producing reports of Group Treasury information and helping to assess long term plans.

Applicants should ideally be within the age range 25 to 29 and either a qualified accountant with up to two years experience since qualifying or a graduate with a relevant degree and appropriate job experience. Previous treasury experience will be an advantage as will the ability to use a micro computer and micro modeller.

A considerable degree of initiative is required to deal, mainly unsupervised, with the many and varied problems that arise within the normal job routine.

Write in confidence with C.V. to Ref: MA 438, Robert Marshall Advertising, 44 Wellington Street, London WC2E 7DJ.

Robert Marshall
Advertising Limited

FINANCIAL CONTROLLER

High Technology to £20,000+car

Our client is a successful expanding American owned high technology corporation in the medical field, based in South East England. Their requirement is for an experienced qualified accountant to head up the financial controllership function.

Reporting to the Managing Director, this challenging task will appeal to an enthusiastic and flexible accountant, aged between 30 and 40 who will have worked with a major auditing firm prior to gaining experience with an American multinational corporation.

This is an exceptional opportunity for an energetic, competent and career conscious accountant possessing strong management skills, to join an expanding corporation at a significant stage in its development. Terms and conditions of employment reflect the importance of the appointment.

Reply to S.W.J. Adamson FCA., or Dr. John Padbury, Grosvenor Stewart Limited, Hamilton House, 15 Tilehouse Street, Hitchin, Hertfordshire. Telephone: 0462 56303 (24 hour answering).

GS GROSVENOR STEWART
INTERNATIONAL RECRUITMENT CONSULTANTS *London Hitchin Brussels*

Principal Financial Accountant

LONDON up to £22,851

British Gas are looking for a qualified Accountant, preferably a Chartered Accountant, for a senior post in the Chief Financial Accountant's Department, based at our headquarters office in High Holborn, London.

The successful applicant will be responsible for the preparation of monthly accounts, and for the annual report and accounts of the Corporation. He/she will also provide a high quality accounting research and technical advisory service reporting to senior finance management.

Candidates should have experience in preparation of consolidated accounts in a large organisation and have a proven record of management ability.

Applications should be made to:
Personnel Manager [HQ Services], British Gas,
59 Bryanston Street, London W1A 2AZ.

BRITISH GAS

Financial Accountant

Inskill Ltd. is a subsidiary of a publicly-quoted group of UK companies based in Maidstone providing project management, refurbishment, partitioning and building services to a wide range of clients.

The Financial Accountant will report directly to the Board of Directors and will take responsibility for the entire financial and secretarial functions of the Company. This will include the provision of management information.

Applicants should be qualified, in their early thirties, with some experience gained in the building or contracting industry.

A competitive salary will be negotiated together with other benefits commensurate with the position.

Prospects are considered to be outstanding.

Applications, with curriculum vitae and salary history, should be addressed to:

The Company Secretary
HUNTING GIBSON p.l.c.
243 Knightsbridge, London SW7 1DH

NEW APPOINTMENT

FINANCE DIRECTOR

Top-flight Finance Director is required by a fast-growing public company for its group headquarters, based in Berkshire, which is undergoing rapid development both organically and by acquisition in the food, distribution and service industries.

The appointee will have demonstrated: proven skill in the conclusion of mergers, acquisitions and disposals within a public company, a strong management ability which will complement the executive's commitment and objective of securing solid growth in performance and earnings per share and, above all, outstanding qualities of leadership.

Age 28-35. Reward package commensurate with the importance which is attached to this appointment, including excellent fringe benefits.

Curriculum vitae in the strictest confidence to the Executive Chairman

Box A8376, Financial Times
10 Cannon Street, London EC4P 4BY

DEPUTY TO HEAD OF INTERNAL AUDIT

A leading international Industrial and Trading Group with Head Offices in London seeks to appoint a Deputy to the Chief Internal Auditor.

Candidates, in their mid-thirties, should be qualified accountants and, preferably, have had experience in a senior auditing role with a major company. They should be earning in the region of £17,000 per annum.

This is a very good opportunity for someone to achieve a senior position assisting in the management of the Operations Audit Department. There will be further prospects for career advancement within the Group.

Salary, conditions of service and benefits of employment are in line with best employment practice.

Replies should be sent to:

WALTER JUDD LIMITED (Ref. LS28),
(Incorporated Practitioners in Advertising),
1a Bow Lane, London EC4M 9EJ

indicating the names of any companies to whom you do not wish your reply to be sent. If the list includes the Company involved, your application will be destroyed.

International Appointments

UK NEWS

State monopoly must be broken, minister says

BY ROBIN PAULEY AND MAX WILKINSON

MR JOHN MOORE, Financial Secretary to the Treasury, defended the Government's privatisation programme yesterday. In the long run, he said, the people who suffered from the use of public monopoly power were not only the customers but the workforce as well. Nationalisation had destroyed jobs.

Speaking at a Financial Times conference on "The Second Thatcher Government – the economy, privatisation, the City of London and industry" – he said the Government was often thought to be dogmatic in its pursuit of its privatisation plans.

But it was wrong to think that nationalisation had been carried out for entirely non-dogmatic reasons.

One of the reasons for nationalisation in the past had been the conviction that it was right to dispossess those individual shareholders who had benefited from supplying essential public services, he said. Unfortunately, such idealistic arguments in favour of nationalisation had proved "utterly wrong."

Rates of return had been lower than in the private sector, prices and employment costs had risen faster than in the private sector and standards of service were worse than customers expected. Direct comparisons with the performance of the private sector, where they were possible, had proved unfavourable.

The customers of the big state monopolies, Mr Moore said, were in a hopeless situation, since they had no chance of directing their business elsewhere and, until recently, could not sue the undertaking.

FINANCIAL TIMES
THE SECOND THATCHER GOVERNMENT
CONFERENCE

Mr Moore said: "I see the strongest moral argument for breaking down these monopolies as far as practicable. The individual is powerless against them. To that extent, monopoly suppliers inhibit personal liberty."

A further argument was that where monopolies existed, unions involved could also exercise a monopoly power to drive up wages out of all proportion to productivity gains.

Private sector companies faced with a decline in employment had no option but to search for new opportunities to replace lost business, but nationalised industries were limited by their statutory framework from adjusting to the forces of change.

Professor Michael Beesley, professor of Economics at the London School of Economics, said the Government had to face up to three potential difficulties in deciding how far to privatise nationalised industries.

The first was that privatisation was a device to add to market pressures by enlisting the capital markets. The logic of the market discipline involved possibilities of takeovers, shareholder revolt and critical review of capital needs. "British Telecom floated as a whole does not offer any realistic prospects of it," he said.

The second point was that there might be a conflict between a desire to achieve a good price for the assets and the further development of competition.

The third was the nationalised industry's position as an incumbent private concern required effective anti-monopoly machinery.

Mrs Shirley Williams, president of the Social Democratic Party, identified three main reasons for Britain's long term economic decline. They were:

- The pursuit of great power status with a corresponding burden of defence costs long after the realities of power had changed.
- Failure to make adequate investment for the future in both the public and the private sectors.
- Failure to make essential changes in institutions, for example the reluctance to foster industrial democracy.

Mrs Williams condemned U.S. fiscal policy for being "so relaxed it approaches the irresponsible," especially in relation to the "stern disciplinarian" approach of the Federal Reserve in controlling the money supply.

She said the U.S. was expanding its economy at a fast rate, which was pulling the rest of the world out of recession, but at the expense of attracting the capital that the rest of the world needed.

Mrs Williams asked if the Government had addressed itself to the long-term problems of relatively slow growth endemic to the British economy. The verdict should be not so far.

Although it was claimed that there had been a transformation in industrial attitudes, it was difficult to say whether the Government or

Shirley Williams: private monopoly instead of public

the recession had been the major factor.

Mrs Williams added: "I see no transformation of industrial relations, or of management organisation. Nor is it clear that privatisation will mean effective competition: it may simply mean swapping a private monopoly for a public one."

Mr Norman Fowler, the Social Services Secretary, told the conference – chaired for its second day by Mr Ian Fraser, chairman of Lazard Brothers – that the future of Britain's social services had to be debated fully and openly. One had to look 30 or 40 years ahead.

The minister challenged the view that earnings-related state retirement pensions might result in an unsupportable burden for the next generation. One reason was the uncertainty of population forecasts – in 1965 it was forecast that the population of Britain would be 72m by the end of the century. The latest forecast was 56m. Another reason was that the trend was not consistent. For example, in 2005 the ratio of working people to retired people was projected to be greater than today.

Mr Fowler stated three priority principles for the future. The first call on social services had to be by those with greatest need. The services should be efficiently managed and simple to administer. Government should not attempt to duplicate or replace what could be better provided by the private or voluntary sector.

There was also room for co-operation between public and private sectors, particularly in health. Some £900m a year was spent in the National Health Service on catering, cleaning and laundry. Competitive tendering would test whether the job could be done more efficiently and more cheaply.

Mr Ray Horrocks, group chief executive of BL cars, said it was wrong to believe that the relative quiet recently in British industrial relations represented only "an uneasy truce."

He said: "Such a view misses, I believe, the fundamental changes which have ocurred in industry over the past four years and which will continue in the years ahead."

He said people were now seeing that new working practices and more efficient manufacturing, when linked to realistic incentives, did bring results in terms of higher and consistent earnings.

He added that fierce competition, especially in the motor industry, would intensify, with a continued shortening of product cycles and strong competition from the Third World in the manufacture of basic components.

He believed competitive businesses with good track records would continue to find a receptive ear in the City of London.

Mr David Malcolm, chief investment manager of Royal Insurance, said the UK securities industry was heavily undercapitalised in international terms and also laboured under certain government-imposed disadvantages, especially stamp duty.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday November 17 1983

Paris bourse reaches for high note, Page 32

WALL STREET

Details of AT&T split dominate

THE LONG-AWAITED details of the break-up of AT&T, the world's largest company, dominated the Wall Street stage yesterday, *writes Terry Byland in New York.*

AT&T stock was halted briefly while the company announcement was circulated. When the stock returned, the price rose sharply in heavy trading. After touching 64, AT&T closed a net ⅞ up at 63⅛ with turnover of 27m shares topping the list of active stocks.

Analysts at the brokerage houses were kept busy digesting the implications of the dividend forecasts and the new debt structure involving the parent organisation and the seven operating companies.

The remainder of the stock market looked all the better for the slight shake-out of the previous session, although investment interest died away for a time after the AT&T announcement.

The Dow Jones industrial average was finally 3.35 up at 1,251.32, having been as high as 1,260, but also down to 1,242 during some midsession profit-taking. Turnover was moderate at 83.6m shares with 913 stocks with gains against 656 with losses.

Heavy trading in ICI saw the stocks up $⅝ at $36¼, a shade under the 12 month high. Just over 5m ICI shares were traded in the form of American Depository Receipts (ADRs), for a value of 30.7m, exceeding the day's turnover in Exxon.

Hewlett Packard jumped $3 to $39⅝ on the profit news and there were general improvements in hightech stocks.

A major talking point was IBM's determination to pursue National Semiconductor, which it has accused of joining Hitachi of Japan in espionage against it. With IBM stating that it would sue the company for up to $2.5bn, stock in National Semiconductor plunged $2¼ to $51¾, with around 1.2m shares traded.

IBM, hit on the previous day by a downgrading on profits from a major broker, firmed $¼ to $124¾.

Renewed buying of Monsanto, following a recommendation by Mr Jay Meltzer, chemicals analyst at Goldman Sachs, took the stock a further $1½ up at $108½. Dow Chemical $⅜ up at $33⅜, and Union Carbide, $¼ up at $66, were also wanted.

On the consumer side, the corporate reporting season continued. Allied Stores at $52¾ shed $¾ after their results and Macy disappointed the market with its trading statement and the stock dipped $1 to $57⅞. J. C. Penney gave up a further $1¾ to $60⅞ on consideration of Tuesday's profits news but Toys R Us held steady at $41¼ while awaiting its trading statement.

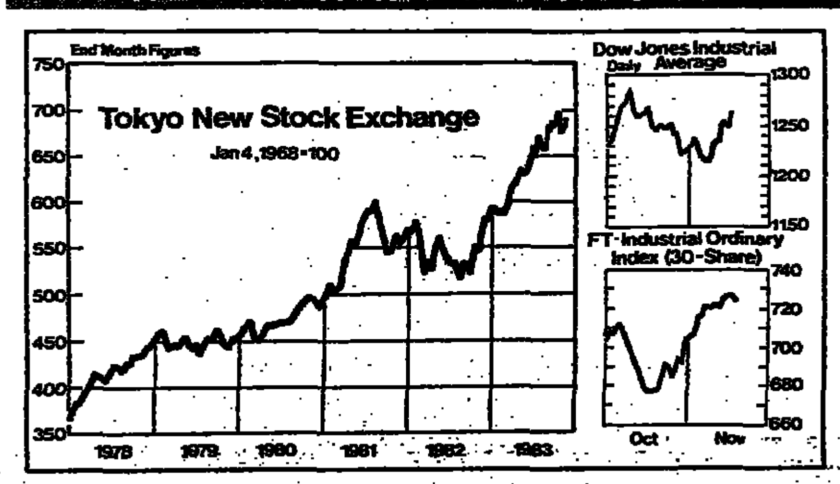
In mixed pharmaceuticals, Pfizer fell $1¼ to $39 and Merck at $98½ shed $¼.

Stocks responding to boardroom announcements included Walter Heller, the financial services company, which dipped $¼ to $30⅛ on news of a third quarter loss, and Westvaco, $¼ better at $35⅛ after announcing third quarter profits.

The bond market opened firmly with professional traders taking the view that further help from the Fed was likely, at mid-morning, with the Fed funds rate at 9 7/16 per cent, the Fed duly announced customer repurchases of $700m. However, the help was regarded as purely technical and intended to ease the day's bank settlement operations. The 2013 long bond later slipped to 102 3/32, a net 5/32 off.

Treasury bill rates slipped back by one basis point, putting the three-month at a discount of 8.77 per cent and the six-month at 8.94 per cent.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Nov 16	Previous	Year ago
DJ Industrials	1251.32	1247.97	1008.0
DJ Transport	598.28	596.5	426.41
DJ Utilities	138.49	136.95	117.52
S&P Composite	166.08	165.36	135.42
LONDON			
FT Ind Ord	722.8	727.3	628.4
FT-A All-share	453.96	457.6	388.22
FT-A 500	488.34	492.68	434.37
FT-A Ind	446.41	450.01	407.35
FT Gold mines	521.0	524.3	387.7
FT Govt secs	83.52	83.37	82.74
TOKYO			
Nikkei-Dow	9430.81	9379.29	7698.3
Tokyo SE	691.65	687.92	563.4
AUSTRALIA			
All Ord.	710.8	708.2	502.0
Metals & Mins.	514.8	514.7	411.4
AUSTRIA			
Credit Aktien	54.26	54.2	47.79
BELGIUM			
Belgian SE	128.33	127.37	98.72
CANADA			
Toronto Composite	2461.3*	2458.9	1815.0
Montreal Industrials	433.38*	432.66	317.69
Combined	417.63*	417.36	306.43
DENMARK			
Copenhagen SE	194.34	191.84	89.97
FRANCE			
CAC Gen	143.8	143.3	100.7
Ind. Tendance	153.4	153.0	121.0
WEST GERMANY			
FAZ-Aktien	closed	342.02	235.98
Commerzbank	closed	1016.8	717.5
HONG KONG			
Hang Seng	864.58	855.72	831.8
ITALY			
Banca Comm.	n/a	185.08	160.0
NETHERLANDS			
ANP-CBS Gen	139.2	140.5	95.0
ANP-CBS Ind	112.0	112.6	75.1
NORWAY			
Oslo SE	195.65	197.08	101.98
SINGAPORE			
Straits Times	937.61	934.33	757.9
SOUTH AFRICA			
Golds	755.7	771.0	652.0
Industrials	900.9	900.1	677.1
SPAIN			
Madrid SE	127.28	126.67	107.07
SWEDEN			
J & P	1437.7	1422.33	805.03
SWITZERLAND			
Swiss Bank Ind	350.5	350.6	266.3
WORLD	Nov 15	Prev	Yr ago
Capital Int'l	180.4	181.1	146.5

GOLD (per ounce)

	Nov 16	Prev
London	$383.125	$383.125
Frankfurt	closed	$383.50
Zürich	$383.50	$383.50
Paris (fixing)	$382.43	$383.77
Luxembourg (fixing)	$383.00	$383.00
New York (Nov)	$375.20	$382.90

* Indicates latest pre-close figure

CURRENCIES

(London)	U.S. DOLLAR Nov 16	U.S. DOLLAR Previous	STERLING Nov 16	STERLING Previous
$	–	–	1.484	1.4855
DM	2.687	2.6765	3.9725	3.9775
Yen	235.35	234.35	349	348.25
FFr	8.17	8.142	12.0775	12.09
SwFr	2.165	2.161	3.21	3.2125
Guilder	3.0065	2.997	4.4475	4.455
Lira	1625.5	1620.5	2401.5	2408
BFr	54.57	54.39	80.6	80.8
C$	1.23675	1.23625	1.8345	1.836

INTEREST RATES

Euro-currencies (offered rate)	Nov 16	Prev
£	9 9/16	9⅝
SwFr	4 7/16	4 7/16
DM	5 13/16	6⅛
FFr	13⅛	13⅛
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 13/16	9¾
6-month U.S.$	10 1/16	10
U.S. Fed Funds	9 7/16*	9⅝
U.S. 3-month CDs	9.5*	9.45
U.S. 3-month T-bills	8.78*	8.765

U.S BONDS

Treasury	Nov 16 Price	Nov 16 Yield	Prev Price	Prev Yield
10½ 1985	99 19/32	10.58	99 17/32	10.57
11½ 1990	99 13/32	11.58	99 1/32	11.56
11.75 1993	100 14/32	11.66	100 14/32	11.66
12 2013	102 3/32	11.74	102 4/32	11.73
Corporate	Nov 16 Price	Nov 16 Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	93¾*	11.80*	93⅞	11.75
3⅞ July 1990	67⅝*	10.85*	67⅞	10.80
8⅜ May 2000	75½*	12.15*	76¼	12.10
Xerox				
10⅜ March 1993	92¾*	12.05*	92⅞	12.00
Diamond Shamrock				
10⅜ May 1993	90½*	12.35*	90⅞	12.30
Federated Dept Stores				
10⅜ May 2013	86¾*	12.30*	85⅜	12.45
Abbot Lab				
11.80 Feb 2013	96*	12.30*	94⅞	12.45
Alcoa				
12½ Dec 2012	95⅞*	12.80*	94⅝	12.95

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	70–30	71–14	70–29	71–01
U.S. Treasury Bills (IMM) $1m points of 100%				
December	91.07	91.14	91.06	91.10
Certificates of Deposit (IMM) $1m points of 100%				
December	90.44	90.52	90.43	90.47
LONDON				
Three-month Eurodollar $1m points of 100%				
December	90.28	90.28	90.21	90.23
20-year Notional Gilt £50,000 32nds of 100%				
December	110–19	110–24	110–11	110–11

COMMODITIES

(London)	Nov. 16	Prev
Silver (spot fixing)	607.95p	610.50p
Copper (cash)	£945.00	£935.75
Coffee (Nov).	£1902.50	£1882.00
Oil (spot Arabian light)	$28.17	$28.20

LONDON

Wary mood precedes Chancellor

LEADING LONDON equities yesterday registered their first significant fall this month as the FT Industrial Ordinary index shed 4.5 at 722.8 ahead of the economic statement today by the Chancellor of the Exchequer.

Of the 30 index constituents, 17 closed easier, with GEC notable for a fall of 8p to 202p. Tate and Lyle, on the other hand, continued to respond to speculation concerning a possible Hanson Trust stake build-up and advanced 10p to 390p for a gain so far on the week of 34p.

Government securities made a better showing. In thin trading, improvements among the funds soon ranged to a half, but sentiment became unsettled by reports of a poor take-up of the £1bn 10 per cent Exchequer 1989 short tap stock, issued yesterday at a minimum tender price of £97.

Early gains in gilts were clipped by ⅛ and the closing tone in the shorts was mixed.

Details, Page 33; Share information service, Pages 34–35

AUSTRALIA

ANNOUNCEMENTS of improved corporate results and predictions of a bullion price recovery underpinned a mid-morning rally in Sydney which carried through for the rest of the session.

The All Ordinaries index edged 2.7 higher to 710.8.

However, ACI International finished the day just 1 cent higher on balance at A$1.76, after reaching A$1.82 following its report of an 83 per cent rise in interim profit.

CSR, which also reported improved interim profits, closed 3 cents easier at A$3.66 after trading as low as A$3.61.

HONG KONG

SOME LATE profit-taking took shares off their highs in Hong Kong, although the Hang Seng index still managed to end the half-day session 8.86 ahead at 864.58.

The market was seen to be consolidating, in line with other centres, and the undertone remained firm with investors optimistic after the latest round of Sino-British talks.

Among leaders, Cheung Kong and Hongkong Land each added 5 cents to HK$7.10 and HK$2.82 respectively, China Light and Hongkong Bank advanced 10 cents to HK$14.20 and HK$7.15, while Jardine Matheson and Swire Pacific "A" were each 20 cents higher at HK$11.20 and HK$14.50 respectively.

SINGAPORE

HOPES OF a settlement soon to Malaysia's constitutional amendment dispute gave a small boost to shares in Singapore, which trades in many Malaysian-based concerns.

The Straits Times index added 3.28 to close at 937.61.

Sim Lim Investments was the most active stock, and it traded at S$3.06 before being suspended during the afternoon pending an announcement.

SOUTH AFRICA

RECENT FAVOURITES in the rally accorded to Johannesburg gold stocks came under profit-taking pressure, although trading levels remained restrained.

Randfontein among the heavyweight producers shed R4 of its gains at R143, while base metal miners and financials showed divergent movements – GFSA dipped 50 cents to R22.50, but Amgold improved by the same amount at R124.50.

CANADA

SHARES MOVED selectively ahead in Toronto yesterday as moderate gains began to be posted by oils, pipelines and consumer products, although reverses were suffered in the transport and forestry products sectors.

Montreal was also marginally ahead, largely as a result of gains among industrial issues. Utilities, banks and papers, however, were easier.

Afternoon trading in both centres took prices well off their best, as golds were hit sharply.

TOKYO

Foreigners encourage firm tone

A FIRM tone appears to have returned to Tokyo at last, with share prices registering their fourth consecutive advance yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

The fourth straight weekly decline in the combined margin buying balance on the Tokyo, Osaka and Nagoya exchanges, announced on Tuesday, encouraged investors to buy a wide variety of issues, ranging from chemicals to foodstuffs, and paper-pulps to machineries. Blue chips were also firm.

Continued active buying by non-residents apparently served as another factor pushing up share prices.

The 225-issue Nikkei-Dow indicator closed the day at 9,430.81, up 51.52, recovering the 9,400 mark for the first time in a month.

Trading was active, reaching 326m shares – surpassing the 300m level for the first time since November 2. Advances outnumbered declines 363 to 317, with 194 issues unchanged.

Speculator favourites among food stuffs were in demand: Meito Sangyo and Godo Shusei added Y80 and Y65 respectively, to Y1,300 and Y740.

Investors also sought chemicals, which had come under selling pressure the preceding day. Kureha Chemical gained Y35 to Y965, attracting non-residents. Rasa Industries also advanced Y33 to Y238.

Among paper-pulps, Kanzaki Paper and Mitsubishi Paper added Y11 each to Y613 and Y441, respectively. But Oji Paper lost Y7 to Y460 and Honshu Paper Y6 to Y281 under profit-taking pressure.

Some machineries were also firm, notably Amada, which rose Y23 to Y880.

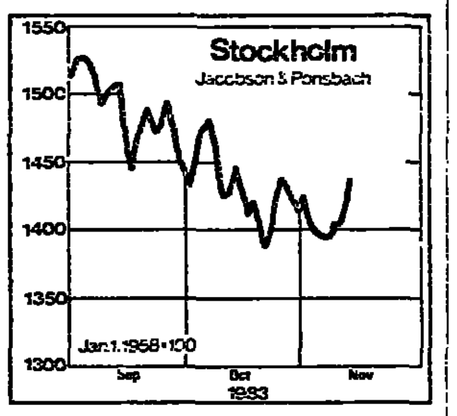
Oki Electric advanced Y31 to Y771 on non-resident buy orders totalling 1m shares. The issue became the day's volume leader, with 17,557,000 shares traded.

The increase triggered sharp gains among other electricals. Canon finished at Y1,420, up Y30; Fujitsu Y1,330, up Y20; Matsushita Electric Industrial Y1,750, up Y20; Ricoh Y1,080, up Y20; and Pioneer Y2,840, up Y70.

Although buying spread to a fairly wide variety of issues, investors tended to sell on price gains and buy other stocks.

On the bond market, buyers and sellers retreated to the sidelines. The dominant view among brokerage houses was that bond trading would remain sluggish for some time, due to uncertainty over further price moves.

As the yield on 7.5 per cent government bonds maturing in January 1993 increased 0.01 per cent to 7.725 per cent, a non-life insurance company purchased Y1bn worth of 7.7 per cent government bonds with about eight years remaining to maturity. But there were no other major transactions.



EUROPE

Oil price cut unsettles Amsterdam

RUMOURS in advance of the Soviet Union's decision to cut its oil price by 50 cents to $29 a barrel showed up particularly sharply yesterday in the stock price of Royal Dutch Petroleum; and this in turn led the Amsterdam market lower.

Elsewhere in the major centres, a mixed to lower trend emerged in the absence of market influences, but in Spain, Italy and Sweden a firmer tone was seen. **Frankfurt** was closed for a public holiday.

In **Amsterdam**, Royal Dutch finished FL 2.80 lower at Fl 131.70. Elsewhere among internationals, Philips shed Fl 1.40 to Fl 42.60 ahead of its third quarter results due today.

Akzo held steady at its best for the year – Fl 81.50 ex its Fl 1 interim dividend – in continuing response to its results last Monday, while Unilever added Fl 1.70 to Fl 234.70.

Among publishers, Elsevier held at Fl 440 while VNU shed Fl 5 to Fl 111, despite Tuesday's announcement of an unchanged Fl 1 interim dividend.

Dutch bonds were narrowly mixed in a quiet market.

Shares ended mixed in **Brussels**, with high-yielding utilities in most demand. Petrofina was an exception, declining BFr 40 to BFr 5,650 after a steady opening.

Losses were also recorded by the steel companies, Arbed – down BFr 114 to BFr 1,126 – and Cockerill-Sambre – down BFr 7 to BFr 160 – which are currently in discussions about industrial co-operation.

Leading shares opened easier in **Zurich** but picked up later and the market ended mixed. Volume was small with investors reluctant to take new positions in the absence of fresh incentives.

Industrials were mixed, with Alusuisse adding SwFr 17 to SwFr 755 after its forecast of a lower deficit this year. Financials were also mixed but banks and insurances were steady.

A half-point rise in the French call money rate, to 12½ per cent, depressed **Paris**, already adversely affected by Wall Street's overnight decline.

In mixed foods, Beghin Say fell FFr 12 to FFr 264, BSN-Gervais rose FFr 21 to FFr 2,498 while Carrefour shed FFr 3 to FFR 1,290.

Stockholm ended firmer in increased turnover. Swedish Match led the advances, adding SKr 20 to SKr 265, while Volvo added SKr 3 to SKr 418 ahead of its nine-month figures which showed a substantial increase in profit.

Shares also tended higher in **Milan** in fairly active trading for the new account. Montedison gained L7.8 to L193.4 and Olivetti put on L109 to L3,499. However, Pirelli went against the trend, easing L15 to L1,450.

A slightly firmer tone was also seen in **Madrid** where steels reversed Tuesday's downward trend to end ahead on the day.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17¼	8⅝	AAR	.44	3.1	18	2	14⅜	14⅜	14⅜	
52⅞	29½	ACF	1.40	2.7	244	706	51½	51	51¼	+¼
18⅝	14¼	AMF	.50	3.1		1217	17	16⅝	16⅝	-⅛
38¼	16¾	AMR Cp			16	5208	37	36¼	36⅝	-⅛
19½	15	AMR	pf2.18	11		24	19¼	19	19	-⅛
39⅞	24⅝	AMR	pf2.13	5.6		256	38½	37¾	38	
15¼	3⅝	APL			18	91	12⅜	11¼	11¼	-⅛
55	31¼	ARA	2.05	4.0	11	117	52	51¼	51¼	+1¼
79⅞	49	ASA	3a	5.8		645	53½	51½	51½	-1⅝
33¼	14	AVX	s .32	1.2	40	45	25½	25	25½	+⅛
53⅞	34¼	AbtLab	1	2.0	15	3223	50½	48⅞	49¼	-⅞
30⅛	23¼	AccoW	n .60	2.4	18	199	25⅜	25⅛	25⅛	-⅛
27½	16¼	AcmeC	.40	1.7		58	23½	23	23¼	+½
14⅝	7⅜	AcmeE	.32e	3.2	506	55	10¼	9⅝	10½	+½
24⅝	8¼	AdmDg	.04	.2	17	72	22⅞	21¾	22	+⅛
18	15	AdaEx	1.73e	9.6		24	u18⅛	18	18	
19⅜	7½	AdmMl	.24	1.5	8	238	15⅝	14⅝	15⅜	+1
18⅝	8⅝	Advest	.12	1.0	8	82	12⅜	12⅛	12⅛	-⅛
34⅝	10⅞	AMD	s		54	1278	32	31⅜	31⅜	
24⅝	12⅝	Aerflx	s		14	136	14½	13⅝	14¼	+⅛
43⅝	32⅞	AetnLf	2.64	7.3	9	5159	37⅜	35¾	36⅜	-½
65	56¼	AetL	pf5.18e	9.1		471	57	56¾	57	+⅛
40½	22½	Ahmns	1.20	4.0	8	176	30⅜	30	30	+⅛
7⅜	2¼	Aileen				40	4⅜	4⅛	4⅛	-⅛
51	31	AirPrd	1	2.2	13	1804	45	42⅞	45	+2⅜
28	13⅝	AirbFrt	.60	2.2	22	195	27⅜	25¾	25¾	-⅛
2½	1½	AlMoa	s		22	136	2⅜	2¼	2¼	+⅛
33½	28¼	AlaP	pfA3.92	13		21	31	30½	30½	-⅞
7⅝	6½	AlaP	dpf.87	12		11	7⅛	7	7⅛	
74½	65	AlaP	pf 9	13		z60	69	69	69	
99	85	AlaP	pf 11	11		z20	97½	97½	97½	
71	59¾	AlaP	pf8.16	13		z330	64⅛	64	64⅛	
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Continued on Page 31

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 30

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 32

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

PARIS

Bourse reaching for the high notes

M YVES FLORNOY, president of the Paris stockbrokers' association, who has just announced that he is stepping down at the end of 1983 after eight years in the job, is leaving on an appropriately high note.

The Paris bourse index has risen by more than 40 per cent since end-1982 – which marks out 1983 as one of the French stock market's best post-war years. And, although he is clearly no left-wing idealogue, he is not adverse to singing the praises of savings reforms brought in by the Socialist Government which have helped put the stock exchange back on the financial map. Indeed, singing should come easily to the 54-year old M Flornoy, who is a keen opera buff and, before his busy schedule forced him to give it up, an amateur orchestra conductor and choirmaster.

This year's dramatic rise started off with a speculative burst of foreign investor buying in March and continued with domestic demand from institutions and private clients over the summer and autumn. M Flornoy warns that the rise partly represents a reaction to the highly depressed previous two years. In 1981 and 1982, the stock market was still getting over the shock of the Socialist election victory, and failed to move up in line with foreign stock exchanges, especially with the Wall Street rally which started in August last year.

He also says it is not yet certain whether the reactivation of the bourse prompted by government measures to change French savings habits will prove to be durable.

"But I have sufficient faith in the market to say that this year's share rise has not been technically unsound," he says. "There is a good chance that the change in investors' behaviour is a long term one."

M Flornoy is leaving after presiding over a slow series of bourse reforms which has culminated in the start-up of an "over-the-counter" market for smaller company flotations and the unification last month of the archaic system of "cash" and "term" market sectors.

He is stepping down to allow a new man to take over the responsibility of ushering in continuous computerised dealing, planned to start experimentally in 1985 and to become generalised later on.

He aims to devote more time to his activities at the Paris Chamber of Commerce where, some say, he has his eye on the presidency. And he pledges unswerving effort to furthering the cause of the bourse – making sure that no future government will neglect the financial markets as did the previous Giscard administration before it brought in equity reforms in 1978.

Apart from the tax incentives for equity and bond investment introduced at the beginning of the year – enlarging the "Monory Law" of 1978 – M Flornoy sees several other reasons for this year's rally.

He believes that the company sector is now over the worst of the economic crisis and what he terms the continued erosion of margins of previous years could also be over. France's economic position, he says, is not as rosy as the 40 per cent rally would indicate. "But it is also not as bad as the chief of the Patronat (the French employers' association, which is fighting a continuing battle with the Government over its economic policy) is making out."

The Government, he says, now sees the link between depressed company profits and rising unemployment. As a sign that the corporate sector, although still heavily in the doldrums compared with past years, is now doing better than expected, financial analysts have revised upwards by 5 to 10 per cent their profits forecasts for quoted French companies compared with the beginning of the year. Forecasts for losses have been cut by up to 25 per cent.

Additionally, M Flornoy says as many as one third of quoted Paris companies have either been insulated from the domestic recession because of their overseas or specialist activities, or have actually profited from it by making productivity improvements. The first section, he says, contains about 100 companies, especially in the agri-food business or high technology, while around 150 are in the latter category.

Underlining the improvement in French companies' capital structure, M Flornoy says new share issues by quoted companies will total around FFr 15bn ($1.84bn) in 1983 (including the issues of non-voting loan stock by nationalised companies). New capital injected into non-quoted companies (including state-owned ones) comes to another FFr 15bn.

As for the "second market" – the over-the-counter sector started in February – a total of 22 companies will have launched their shares on it, either on the Paris bourse or on provincial stock exchanges, by the end of the year. The original target was to introduce 30 companies over two years, and this year's issuing rate has been "more than we dared forecast," says M Flornoy.

Overall, Paris equity market capitalisation is now more than FFr 280bn, well up even from the figure of around FFr 250bn before last year's nationalisations deprived the bourse of leading heavyweight stocks.

But there is still a long way to go in the process of revitalising the stock market. The 22 new companies brought on to the "second market" are capitalised at around FFr 4bn (only a portion of which has actually been floated) – or less than the FFr 5bn capital of Paribas, the "heaviest" share taken into public ownership last year.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 31

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NEW YORK CLOSING PRICES

Continued from Page 31

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NEW YORK

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Indices

NEW YORK – DOW JONES

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LONDON STOCK EXCHANGE

MARKET REPORT

Share index down 4.5 awaiting economic statement

Financials encounter profit-taking

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct 31	Nov 10	Nov 11	Nov 21
Nov 14	Nov 24	Nov 25	Dec 5
Nov 28	Dec 8	Dec 9	Dec 19

* "New-time" dealings may take place from 9.30 am two business days earlier.

The Financial Times Industrial Ordinary share index, down 4.5 at 722.8, yesterday registered its first fall of any significance in seventeen trading days.

Of the constituents, 17 closed easier with GEC particularly notable for a fall of 8 to 202p on talk of a broker's "sell" recommendation, while news of the redundancies at the group's Turbine Generator subsidiary provided an added depressant. Tate and Lyle, on the other hand, continued to respond to speculation concerning a Hanson Trust stake build-up and advanced afresh for a gain so far on the week of 34 at 390p, after 396p.

The general reaction followed Wall Street's overnight setback and sporadic bouts of profit-taking ahead of today's economic statement from the Chancellor. Sentiment in the leaders was also dampened by disappointing interim figures from Cable and Wireless and Tesco.

The recently buoyant Financial sectors lost much of the recent speculative zeal. Merchant banks encountered profit-taking after their recent upsurge with Mercury Securities falling sharply as the market awaited today's expected details of the terms on which the group is to acquire a 29.9 per cent stake in stockjobbers Akroyd and Smithers; the latter's annual results are also scheduled for release today.

Insurance Brokers had Stenhouse sharply higher on hopes of an increased bid following the Board's rejection of Reed Stenhouse's offer, while Composites remained unsettled by Royal's poor third-quarter figures announced on Tuesday.

Government securities made a better showing ahead of the Chancellor's economic statement. In thin trading, improvements among the funds soon ranged to ¼ but sentiment became unsettled by reports of a poor take-up of the £1bn 10 per cent Exchequer, 1989, short-tap stock, issued yesterday at a minimum tender price of £97; dealings in the £20-paid stock are expected to start today. Early gains in gilts were clipped by ⅛ and the closing tone in the shorts was mixed, but the FT Government Securities index picked up 0.15 at 83.52.

Clearing banks succumbed to profit-taking. Barclays dipped 9 to 478p and Lloyds 5 to 513p. Royal Bank of Scotland reflected adverse comment with a reaction of 3 to 149p. Allied Irish, on the other hand, hardened 2 to 152p, after 155p, following the satisfactory interim results. Speculative activity in merchant banks waned and Hill Samuel, particularly well supported of late on takeover hopes, reatreated 9 to 287p, after 288p, on a reported denial of any bid approaches having been made. Profit-taking in the wake of shareholders' approval for the Moorside Trust takeover, left Guinness Peat a couple of pence off at 52p. Schroders, however, continued to attract buyers and ended 15 better at 675p.

Composite Insurances looked bedraggled, still reeling from Royal's poor third-quarter figures; the latter, down 20 the previous day, eased further to 485p before closing a net 5 down at 490p.

Following completion of the merger, V. W. Thermax began life in the Unlisted Securities Market and traded between 108p and 118p before settling at 117p. Investors again favoured Aspinall, up 6 more at the highest so far of 176p, while Michael Page rose 5 to 102p.

Contrasting Building features included Francis Parker, 5 better at 41p on revived bid speculation, and Thomas Warrington, which dropped 7 to 84p following the mid-term profits setback. Travis and Arnold spurted to 337p in a thin market prior to closing 8 up at 330p, but Burnett and Hallamshire became unsettled again at 165p, down 15. Streeters, which has agreed bid terms with Costain UK, were another dull counter, shedding 1½ to 20p against the recent suspension price of 38½p, but Beechwood Construction hardened that much to 32p on news that Aico Western Investments had acquired a 12.24 per cent stake. Helical Bar slipped 5 to 68p ahead of the latest offer details from Exent.

ICI improved late, thanks to U.S. inquiries, to end 4 higher at 594p, but other Chemicals tended to ease a few pence.

The absence of institutional buyers resulted in another lacklustre session among leading Stores which again displayed small falls. Burton, preliminary results due next Tuesday, eased 2 more at 378p, while Gussies A shed a few pence to 585p. A noteworthy exception was provided by Habitat-Mothercare which, having been a nervous market recently on vague rumours of a link with Grattan, attracted late support and rallied 4 to 284p. Profit-taking left electrical retailers dull with Currys, 341p, Dixons, 227p, and Comet, 315p, all around 5 cheaper; the last-mentioned announces annual results next Monday. The liquidation of speculative positions was responsible for a fall of 7 to 93p in Sumrie Clothes, but interest was evident for Time Products which hardened 1½ to 181½p.

Cable & Wireless fall

Marked disappointment with the half-year results prompted selling of Cable and Wireless which touched 280p before closing 21 down at 282p. The interim statement from International Signal, down 7 at 178p, after 174p, also failed to inspire the market. Plessey closing 4 lower at 220p awaiting today's half-year figures. Elsewhere, Kode rallied 6 to 248p, while Munford and White closed 5 better at 220p and Mr/head 4 higher at 156p. Michael Black eased 3 to 51p on the interim results.

Movements in the Engineering sector were usually limited to a few pence either way, but Chamberlin and Hill stood out with a rise of 6 to 52p in response to the increased interim profits and encouraging statement on second-half trading prospects.

Persisting talk of a stake-building operation made for more difficult trading circumstances in Tate and Lyle, which rose quickly to 398p before reacting to finish a net 10 up at 390p. Other notable Food movements took in Tesco which, despite interim profits on target with market estimates, fell 9 to 169p; it was thought that some short-term investors were asking too much given unusually dull market conditions yesterday. Awaiting today's preliminary statement, Kwik Save slipped 8 to 330p, but demand in a limited market raised Chambers and Fargus 6 to 33p. Dee Corporation traded briskly between 350p and 344p prior to settling a few pence easier on balance at 346p.

Brit. Aerospace up

Interest in the miscellaneous industrial leaders failed to expand from recent low levels and quotations inclined easier, where altered. Elsewhere, British Aerospace, up 9 at 200p, staged a useful revival following the announcement of the contract for 20 BAE-146 airliners from Southwest Airlines. In contrast, Polly Peck, overshadowed by competition fears and Cyprus political worries, reacted 1¼ more to £22½, after £21, while Cornell dipped 17 further to 213p and Wearwell 6 more to 74p. Bestwood gave up 4 to 111p on lower interim profits, but a revival of speculative demand for United Guarantee, an old bid chestnut, left the quotation 6 higher at 37p. Press mention stimulated interest in Lilleshall, 2 dearer at 42p, and Reed Executive, 4 higher at 47p. Satisfactory interim results left Robert Moss a couple of pence firmer at 78p, but Associated Heat, a good market recently on the half-year figures, encountered profit-taking and gave up 10 to 295p. Transcontinental Services were good at 187p, up 17, along with Consultants, 20 higher at 690p. London and Liverpool edged up a couple of pence to 46p after the interim figures and the statement on the outlook.

Sporadic buying in a restricted market lifted Central TV non-voting 8 to 168p.

Motors traded quietly and generally without distinction. Dunlop remained friendless and shed a couple of pence further to 42p. Among Distributors, a brisk trade developed in British Car Auction which eased 4 to 216p amid Press-inspired speculation that the company is prepared to bid for Singer and Friedlander, the merchant bank put up for sale last week by European Ferries. In contrast, H. Young remained firm on further consideration of Mr E. W. Davidson taking a 10 per cent stake and added 3 for a two-day advance of 19 at 95p. Caffyns again responded to speculative interest and rose 8 more to 140p.

Mr Robert Maxwell's British Printing and Communication continued to respond to favourable comment in the wake of the closure of the loss-making Park Royal plant and firmed 5 more at 117p.

Properties took their cue from other Financials and moved lower. MEPC closed 5 down at 243p and Land Securities 4 off at 333p, but other changes were generally insignificant. Against the trend, Churchbury Estates gained 5 to a high for the year of 615p.

Textiles were mixed. Allied attracted revived speculative support and improved 15 to 252p, while Carpets International were again in demand and added 1½ more at 61p. Sirdar, on the other hand, fell 5 to 111p with sentiment unsettled by a bearish report from the President of the Knitting Federation.

Anglo Scottish provided a rare burst of excitement among Investment Trusts. Firm in early trading following the announcement of tentative unitasation proposals, the shares advanced sharply to close a net 21 up at 135p on talk that brokers Kitcat and Aitken were standing in the market to purchase up to 15 per cent of the equity at that price on behalf of an undisclosed client. Support was also shown for Group Investors, 15 better at 225p; Equitable Life Assurance holds around 6 per cent of each trust. Elsewhere, Moorside Trust rose another 5 at 130p on consideration of Tuesday's vote by Guinness Peat shareholders giving approval to the acquisition of Moorside by Guinness which eased a couple of pence to 52p.

Profit-taking clipped a few pence from stockjobbers Smith Brothers which eased 4 at 77p. Mercantile House, down to 375p earlier, rallied in late trading to close a net 6 up at 389p, while Exco reverted to unchanged at 593p, after 580p.

Oil shares continued to drift lower, underlying sentiment aagin being disturbed by the current glut in supplies and the downward trend in spot prices. Shell gave up 8 more to 564p and BP 6 further to 414p. Against the trend, Burmah were good at 161p, up 7, on a revival of bid talk, while Tricentrol advanced 6 to 184p on the favourable Mexican drilling report. Among the Irish explorers, Atlantic Resources fell 15 to 735p and Eglinton 25 to 285p.

Plantations were irregular. Selected Rubbers responded to fresh speculative support with Rowe Evans particularly good at 62p, up 9. Anglo-Indonesia added 3 to record a two-day advance of 11 at 123p. Teas, on the other hand, reacted to scattered profit-taking in the wake of recent firmness following the buoyant commodity price; McLeod Russel closed 4 cheaper at 210p.

Golds easier

The overnight strength of Golds led to a firmer tone at the opening of trading in London, with rises ranging to ¼ in most of the South African stocks.

However, there were small offerings from South African sources at the close of trading there and London prices were marked down in line to leave late prices a little lower than Tuesday's closing levels.

A slight rally at the close lifted one or two issues slightly, leaving Hartebeest with a gain of ⅝ at £44⅞, but most of the heavyweights closed showing losses of around ½.

Randfontein fared worst, falling 1½ to £82½, while Vaal Reefs gave up 1½ to £67⅛.

Falls of around ¼ were common to Free State Geduld at £22⅝, President Steyn at £25⅛, Western Holdings at £28½ and Winkelhaak at £23⅞.

Falls among the medium and lower-priced issues were generally confined to around 20, as in Grootvlei at 925p, Blyvoor at 925p, Elandsrand at 740p, Zandpan at 790p and Welkom at 799p.

The Gold Mines index closed 3.3 lower at 521, and bullion was finally unchanged at $383.125 after trading within a few cents of $383 throughout.

South African Financials were mixed in quiet trading, with Anglo American Gold gaining ½ to £70½, while "Johnnies" gave up £3 to £76, Anglovaal ½ to £35 and Gold Fields of South Africa ¼ to £13¼.

Diamonds and Platinums ended little changed, although De Beers gave up 6 to 514p among the former.

London Financials were neglected in early trading, edging downwards in line with the general trend of UK equities. Gold Fields gave up 7 to 480p, Charter 3 to 235p and Hampton Areas 2 to 193p, but Rio Tinto-Zinc reacted sharply on profit-taking towards the close and finished 12 down at 568p.

Australians mostly closed a little better, where changed, although Renson went against the trend with a fall of 6 to 206p, and EZ Industries reacted 2 to 360p after the chairman's remarks at the annual meeting.

Gold Mines of Kalgoorlie put on 10 to 560p and Peko-Wallsend were finally 4 to the good at 358p.

Business in Traded Options declined and total contracts struck amounted to 2,360. Tesco were active in the wake of the uninspiring half-time statement and attracted 206 calls, 121 in the December 150's, and 104 puts. A "sell" recommendation failed to temper support of GEC call positions where 210 trades were struck. British Petroleum again recorded a lively two-way business and attracted 191 calls, 161 in the January 420's and 290 puts, with the July 460's accounting for 120 trades.

FINANCIAL TIMES STOCK INDICES

	Nov. 16	Nov. 15	Nov. 14	Nov. 11	Nov. 10	Nov. 9	year ago
Government Secs.	83.52	83.37	83.54	83.70	82.55	82.26	82.74
Fixed Interest	85.87	85.79	85.88	85.78	85.27	85.20	85.70
Industrial Ord.	722.8	727.3	727.4	725.1	720.6	721.8	628.4
Gold Mines	521.0	524.3	513.7	509.4	515.4	513.1	387.7
Ord. Div. Yield	4.75	4.71	4.72	4.72	4.75	4.74	4.73
Earnings, Yld.% (full)	9.41	9.38	9.39	9.35	9.42	9.40	10.13
P/E Ratio (net) (*)	13.27	13.32	13.30	13.35	13.26	13.28	11.71
Total bargains.	19,843	19,169	21,236	19,730	18,895	20,100	24,639
Equity turnover £m.	—	246.54	260.45	252.54	274.42	161.16	212.23
Equity bargains	—	18,842	21,026	19,431	19,455	12,484	18,595
Shares traded (ml)	—	143.8	150.3	162.1	171.7	86.2	142.1

10 am 722.6. 11 am 722.3. Noon 723.3. 1 pm 722.6. 2 pm 722.8. 3 pm 722.1.
Basis 100 Govt. Secs. 18/1/28. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.
Latest Index 01-246 8026.
Nil = 12.48.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.70 (11/11)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	85.88 (14/11)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	444.6 (1/11)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 15	Nov. 14
—Daily		
Gilt Edged Bargains	162.6	188.0
Equities Bargains	122.1	136.2
Value	496.5	526.4
5-day Avrge Gilt-Edged Bargains	172.7	171.4
Equities Bargains	118.2	114.3
Value	483.1	461.7

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

		Wed Nov 16 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Nov 15 Index No.	Mon Nov 14 Index No.	Fri Nov 11 Index No.	Thurs Nov 10 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (203)	453.35	−1.2	9.19	3.88	14.01	458.90	458.20	456.72	452.75	448.98
2	Building Materials (24)	439.81	—	10.66	4.70	11.81	439.93	438.72	436.55	435.83	413.29
3	Contracting, Construction (29)	679.40	−0.4	13.71	5.27	9.10	681.87	684.26	680.06	679.21	740.82
4	Electricals (38)	1679.25	−2.5	7.89	2.24	16.46	1721.40	1721.59	1719.66	1696.89	1815.59
5	Engineering, Contractors (10)	412.78	−0.9	14.24	6.73	8.91	416.25	412.41	412.24	411.12	468.02
6	Mechanical Engineering (59)	192.92	+0.2	12.51	5.85	9.88	192.47	191.14	190.94	189.88	200.39
8	Metals and Metal Forming (9)	157.86	+0.2	12.07	7.47	10.01	156.75	157.33	159.16	158.56	142.62
9	Motors (18)	110.60	−0.7	1.87	4.87	—	111.42	110.77	111.56	110.80	76.96
10	Other Industrial Materials (16)	549.19	−0.7	5.68	4.08	23.34	553.18	551.73	542.18	536.91	375.65
21	CONSUMER GROUP (198)	447.12	−0.5	10.43	4.41	11.76	449.48	449.20	445.36	442.60	412.78
22	Brewers and Distillers (23)	448.86	−0.3	12.65	5.12	9.83	450.40	449.95	446.94	444.96	432.58
25	Food Manufacturing (22)	352.63	−0.6	13.13	5.74	8.86	354.82	351.92	350.83	353.01	332.34
26	Food Retailing (13)	1030.66	−1.2	7.50	2.67	17.41	1043.14	1033.62	1024.57	1010.16	715.86
27	Health and Household Products (9)	723.75	−0.5	6.22	2.95	19.04	727.09	721.26	723.96	722.52	729.71
29	Leisure (23)	584.07	−0.2	8.71	4.65	14.83	585.33	584.11	579.39	576.27	468.51
32	Newspapers, Publishing (15)	963.23	+0.8	9.02	4.94	13.31	955.85	952.19	936.49	939.96	572.66
33	Packaging and Paper (14)	198.35	−0.8	10.92	5.00	11.14	199.97	202.16	199.90	198.17	140.30
34	Stores (47)	415.52	−0.2	8.20	3.71	16.63	416.39	416.58	414.64	410.34	394.14
35	Textiles (20)	226.70	−0.7	11.57	5.14	10.24	228.35	227.39	220.25	215.38	174.57
36	Tobaccos (3)	464.71	−1.3	21.44	6.84	5.22	470.66	471.09	465.35	463.97	443.88
39	Other Consumer (9)	440.89	+0.1	5.95	4.74	—	440.57	437.84	441.40	442.46	340.46
41	OTHER GROUPS (84)	398.23	−0.9	8.22	4.34	15.31	401.71	400.79	394.76	393.25	283.93
42	Chemicals (15)	569.39	+0.3	7.94	4.45	16.49	567.68	569.37	560.56	559.27	376.94
44	Office Equipment (6)	111.49	−1.4	8.73	4.61	14.42	113.09	112.96	112.90	110.85	92.22
45	Shipping and Transport (14)	792.53	−0.3	8.00	5.12	16.88	794.64	782.65	776.65	764.50	901.89
46	Miscellaneous (49)	516.61	−2.0	8.47	4.02	14.34	527.26	525.82	515.65	508.92	392.62
49	INDUSTRIAL GROUP (485)	446.41	−0.8	9.60	4.23	12.90	450.01	448.96	445.94	442.63	407.35
51	Oils (15)	947.09	−1.3	11.09	6.30	10.22	959.39	973.32	972.28	968.46	734.94
59	500 SHARE INDEX	488.34	−0.9	10.05	4.57	12.36	492.68	492.91	490.06	486.71	434.37
61	FINANCIAL GROUP (124)	351.58	−0.6	—	5.47	—	353.70	350.66	345.36	340.45	266.12
62	Banks (6)	361.90	−0.9	23.73	7.05	4.60	366.06	355.83	348.80	347.22	260.80
63	Discount Houses (8)	339.73	−0.9	—	8.03	—	342.65	340.26	333.56	326.28	307.82
65	Insurance (Life) (9)	482.75	−0.6	—	4.66	—	485.73	482.30	472.43	461.55	357.69
66	Insurance (Composite) (10)	245.92	+0.1	—	6.29	—	245.60	249.26	244.70	237.20	175.06
67	Insurance Brokers (7)	614.70	−0.3	11.04	4.73	12.41	616.77	588.66	579.39	576.96	521.53
68	Merchant Banks (12)	211.45	−1.4	—	4.44	—	214.40	211.97	203.05	202.03	159.94
69	Property (54)	495.84	−1.0	5.91	3.84	22.59	500.64	501.45	500.93	498.21	394.51
70	Other Financial (18)	250.31	−0.4	11.14	5.38	10.81	251.36	245.97	241.97	240.17	122.80
71	Investment Trusts (108)	452.74	—	—	3.94	—	451.76	448.01	446.44	444.16	342.55
81	Mining Finance (4)	271.11	−1.8	10.29	5.39	11.97	276.05	275.51	272.95	272.30	213.76
91	Overseas Traders (14)	468.76	+0.1	7.80	8.13	18.55	468.46	467.86	468.14	468.32	374.85
99	ALL-SHARE INDEX (750)	453.98	−0.8	—	4.74	—	457.60	456.84	453.48	449.57	388.22

FIXED INTEREST

	PRICE INDICES	Wed Nov 16	Day's change %	Tues Nov 15	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	5-15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	All stocks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Debentures and Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	Preference	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	AVERAGE GROSS REDEMPTION YIELDS	Wed Nov 16	Tues Nov 15	Year ago (approx)
	British Government			
1	Low Coupons 5 years	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons 5 years	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]
7	High Coupons 5 years	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables	[illegible]	[illegible]	[illegible]
11	Debs & Loans 5 years	[illegible]	[illegible]	[illegible]
12	15 years	[illegible]	[illegible]	[illegible]
13	25 years	[illegible]	[illegible]	[illegible]
14	Preference	[illegible]	[illegible]	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
[illegible]							

TOTAL VOLUME IN CONTRACTS: 14,277
A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
110	F.P.	7.10	26½	20½	✣A. & M. Hire 10p	24	−½	b0.1	11.1	0.6	15.1
*120	F.P.	22.11	122	103	✣Acorn Computer 1p	122		—	—	—	45.0
115	F.P.	—	176	155	✣Aspinall Hldgs 10p	176	+6	bg3.0	3.7	2.4	15.7
*435	200	10.2	220	186	Brit. Petroleum	192	−4	20.25	1.6	6.8	11.9
200	F.P.	—	260	175	✣Bryson Oil & Gas 5p	230	−25	—	—	—	—
*105	F.P.	28.10	108	107	Coin Inds. 10p	107		3.2	2.4	4.4	13.5
160	F.P.	28.10	95	75	✣DJSecurityAl'ms15p	85		t2.1	b4.0	3.5	10.6
75	F.P.	16.12	87	72	✣Ed'nb'gh Fd.Man1p	87		bg1.8	2.8	3.0	17.0
97	F.P.	30.11	107	97	Europ'n Assets DFl. 1	107		[illegible]	1.0	3.1	—
[illegible]	F.P.	—	305	300	FAI Insurance 50 cts.	300		Q.47	4.0	3.4	7.3
54	F.P.	—	54	50	✣FederatedHouse 5p	53		[illegible]	2.4	7.0	8.3
IR77	F.P.	25.11	66	62	✣Fitzgas 10p	63		[illegible]	2.4	3.7	10.3
123	F.P.	16.12	127	112	✣FrenchConnect'n5p	125		b23.9	2.7	4.5	11.3
91	F.P.	25.11	91	84	✣Imtec Group 10p	84		u2.1	2.5	3.6	12.7
45	F.P.	25.11	46	44	✣Laidlaw Group 10p	46		b2.5	2.8	7.8	6.6
*220	F.P.	18.2	265	226	Logica 10p	260		u1.0	6.9	0.5	35.7
—	F.P.	11.11	42½	21	Lon. Midland IndDf'd	42½	−½	—	—	—	—
63	F.P.	31.10	72	68	✣Mainmet Hldgs 10p	72		—	—	—	76.6
*285	F.P.	25.11	310	293	OxfordInstruments5p	302		b1.0	8.5	0.5	31.1
150	F.P.	4.11	161	156	✣PCT Group 10p	156		b4.8	2.1	4.4	14.7
90	F.P.	—	102	97	✣Page Michael 5p	102	+5	b1.4	3.5	2.0	22.1
85	F.P.	21.12	105	100	✣Peters Michael	100		u1.79	1.7	2.6	32.6
185	F.P.	11.11	234	214	Telemetrix 5p	224	−2	b1.4	5.5	0.9	29.2
100	F.P.	25.11	100	87	Tottenham Hotspur	90	−2	b4.0	1.9	6.3	9.9
*110	F.P.	—	118	108	✣V. W. Thermax	117		u5.25	1.8	6.4	14.9
IR64	F.P.	9.12	183	173	✣Woodchstr Inv.IR20p	173	−2	Q9.5	4.1	1.7	15.0
—	F.P.	—	29	27	Witan Inv. Wrrnts.	27	−1	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
99.298	£25	29.11	29½	22	Allied-Lyons 11¼% Deb 2009	23½	
95.736	£25	16.2	29¼	25¼	Australia 11½pc. Ln. 2015	29¼	
100	£10	2.1	12	11½	Bristol Waterworks 6.5% Red. Prf. 1988	12	
*	F.P.	—	105	105	Crosby Hse. 13¼pc. Ln. '87-93	105	
99.714	£30	26.4	32½	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	32½	
97.268	£25	23.1	29¾	25	Ireland 13¾% 2008	29½	−½
*100p	25p	9.12	35p	25p	LASMO 9½% Cum Red Pref	35p	
	£30	10.11	35	30½	Lon. Shop Prop. 9pc Cnv. 94-99 Ser II.	35	+½
—	F.P.	—	100¾	99¾	Nationwide 10¾% Bds. 8.10.84	100¾	
—	F.P.	—	100	100	" 10¾% Bds. 5.11.84	100	
100	£10	3.2	12	12	Sund'ld + S.ShieldsWtr6½pcRPF.1989	12	

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
7	F.P.	— 15.12	9	7½	Amal. Estates 5p	9	+½
IR35	F.P.	—	61	42	Aran Energy 20p	61	
58	Nil	— 19.12	12pm	6pm	Arrow Chemicals	12pm	
75	Nil	— 24.11	6½pm	1½pm	Britannia Arrow	6½pm	−½
23	F.P.	— 30.11	27	24	C. H. Industrials 10p	25	
[illegible]							
85	Nil	—	4½	16pm	5pm Ward White	16pm	−3
11	Nil	— 21/11	116	93	Western Mining Options	112	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. † Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✣ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3). ✣ Unlisted Securities Market. *Comprising of 10 New ordinary plus 1 Series B Warrant.

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (56)

BRITISH FUNDS (2)
Treas. 5¼pc '82-84 Treas. 12½pc 1993
INT. BK. & O'SEAS GOVT. STLG. ISS. (3)
Euro Inv. Bk. 11pc Int.-Am. Dev. Bk. Ln. 2002 12½pc 2003
N.Z. 11½pc 2006
CORPORATION LOANS (1)
LCC 5½pc 1982-84
COM'WEALTH & AFRICAN LOANS (1)
N.Z. 7½pc 1988-92
FOREIGN BONDS (1)
Iceland 6½pc '83-88
AMERICANS (2)
Brunswick Corp Dana Corp.
BANKS (4)
Bank of Scotland Nat. Comm. Bk. Aust
Joseph (Leopold) Schroders
BUILDINGS (1)
Baggeridge Brick
CHEMICALS (4)
BASF AG Hoechst AG
Bayer AG Scot. Agricultural
STORES (3)
Boardman (K. O.) Ramar Textiles
Fine Art Devs.
ELECTRICALS (1)
Atlantic Computers
ENGINEERING (1)
Saville Gordon
FOODS (3)
Dee Corp. Tate & Lyle
Sainsbury (J.)
INDUSTRIALS (11)
Amber Indl. Moss (Robert)
B.H. Prop. Reed Executive
Consultants (C. F.) Royal Worcester
Cowrdex SI Group
Dupont Wedgwood
Halma
INSURANCE (2)
Stenhouse Willis Faber
LEISURE (1)
Grampian TV A
MOTORS (1)
Young (H.)
NEWSPAPERS (1)
Independent
PAPER (1)
Waddington (J.)
PROPERTY (1)
Churchbury Ests.
TRUSTS (7)
Anglo-Scottish Meldrum
Fleming Enterprise Moorside Trust
Group Investors London & Assoc.
London & Lennox
OILS (3)
Burmah Oil 8½pc Uns. Ln. '91-96 Caledonian Offshore
Ohio Res.
PLANTATIONS (1)
Anglo-Indonesian

NEW LOWS (11)

BANKS (1)
Bk. Leumi Le Israel
BUILDINGS (2)
Burnett & Hallam Streeters
CHEMICALS (1)
Coates Bros.
FOODS (1)
England (J. E.)
INSURANCE (1)
Alexander & Alex. 11pc Conv. 2007
MOTORS (1)
Dunlop
TRUSTS (2)
Aitken Hume Mezzanine Cap Ptg. Red. Pref.
OILS (3)
Gulfstream Res. Westfort Pets. II
KCA Drilling

Jersey General

At October 31 1983 net asset value of Jersey General Investment Trust's £1 shares amounted to 282p. This compares with 213p at the same time last year. For the half year to end-October gross revenue moved up from £662,136 to £864,915 and net revenue by £17,418 to £498,253 for earnings of 5.26p, against 5.07p, per share. The interim dividend is being increased to 5p (4.75p) gross and a final of 6.25p (same) is expected to be recommended.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 7	Nov 18	Feb 9	Feb 20
Nov 21	Dec 2	Feb 23	Mar 5
Dec 5	Dec 16	Mar. 8	Mar 19

For rate indications see end of Share Information Service

Stocks to attract money for the call included Argyle Trust, First National Finance, Sound Diffusion, Jackson Exploration, Inter-City, Aspinall, Celtic Haven, Taverer Rutledge, Atlantic Resources, Aran Energy, London Brick, Poseidon, Scott and Robertson, Lake and Elliot and Hong Kong and Shanghai Banking. Puts were taken out in Atlantic Resources and Polly Peck, while a double was arranged in BP.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	57	23	22
Corpns., Dom. and Foreign Bonds	18	11	50
Industrials	209	267	912
Financial & Props.	78	125	323
Oils	14	46	55
Plantations	7	3	10
Mines	33	46	86
Others	35	76	65
Totals	449	597	1,523

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Aspinall New	176	+6
Barclays Bank	472	−9
British Car Auction	216	−4
Burmah Oil	161	+7
Cable and Wireless	282	−21
Hill Samuel	287	−9
Polly Peck	£22½	−1½
Stenhouse	139	+12
Tate and Lyle	390	+10
Tesco	169	−9
United Guarantee	37	+6
V. W. Thermax New	117	—

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues close	Day's change
Royal Insce	22	495	−20
Aspinall New	19	170	+7
Eagle Star	17	650	−15
West's Group	15	103	+17
HAT	13	111	−7
Phoenix Assce.	13	357	+9
At Cmps. New	12	240	+27
Glavo	12	720	+5
Logica New	12	260	+10
Sun Alliance	12	£13½	−0½
Exco Ind.	11	593	+20
Mercantile Hse.	11	383	+18
Midland Bank	11	422	+14
Polly Peck	11	£24	−2½

LONDON TRADED OPTIONS

Option	Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
Brit. Petroleum (*414)						
390	38	48	56	7	13	24
[illegible]						

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Imperial Group (*132)						
110	24	25	27	0½	1½	2
120	13	17	18	0½	2½	4
[illegible]						

Nov. 16. Total Contracts 2,360. Calls 1,516. Puts 844
* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued.

ENGINEERING

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
385	228	Johnston Grp. 10p	240xd	.....	6.0	5.0	3.6	8.8
102	87	Jourdan (T.) 10p	94	.....	5.6	1.2	8.5	13.0
64	39	Kalamazoo 10p	52	−1	3.33	♦	9.2	♦
60	35	♦Kean & Scott Hldgs	48	.....	M1.0	—	2.2	—
23	9½	Keep Trust 5p	11¼	−½	‡0.15	—	‡	—
210	140	Kelsey Inds.	185	.....	8.0	1.7	6.2	12.7
155	110	Kershaw (A.) 5p	140	.....	‡15.0	0.6	‡	(11.1)
80	39	Kleen-E-Ze Hldgs.	69	−1	3.0	0.5	6.2	—
101	52	L.C.P. Hlds.	92	.....	3.6	1.2	5.6	(18.5)
32	14	LDH Group	26	.....	—	—	—	♦
132	93	L.R.C. Int. 10p	116	+1	h2.95	2.3	3.6	15.1
34	17	Lamont Hldgs. 10p	32	.....	†1.3	1.8	5.8	12.6
41	26	Lawtex	40	.....	—	—	—	♦
480	345	Lep Group 10p	460	.....	17.5	0.3	5.4	63.8
48	22	Lilleshall 10p	42	+2	d1.0	—	3.4	—
350	39	Lon. & Liv. 10p	46	+2	h2.75	3.5	8.7	4.0
135	97	London & Mid'd.	110	.....	7.75	1.1	10.1	12.3
*110½	38	Lon. & Nthn. Grp.	68xd	+1	F4.2	2.0	8.8	9.6
40	23	♦Lon. Priv. Health	26	+1	—	—	—	13.0
65	46	Longton Inds.	60	.....	1.0	—	2.4	—
120	78	Low & Bonar 50p	112	.....	†5.0	2.8	6.4	(6.3)
48	32½	MCD Group	45	.....	d1.0	2.2	3.2	20.5
92	62	MMT Computing 5p	92	.....	b1.68	2.6	2.6	21.4
26	16	M.Y. Dart. 10p	22	.....	20.25	—	1.6	—
212	134	M'c'rthy Ph. 20p	144	−2	7.0	2.7	6.9	6.8
148	128	Macfarlane Gp.	132	.....	†3.52	2.1	3.8	16.1
46	33	Maclellan 20p	34	.....	d1.5	1.6	6.3	12.2
63	36	Macpherson (D.)	36	.....	4.2	0.6	16.7	(12.8)
56	41	Magnolia Group	54	.....	2.3	3.2	6.1	6.3
180	65	Man. Ship Can. £1	139	−3	3.5	6.8	3.7	4.2
77	48	Marley	74	.....	†2.5	0.5	4.8	(7.0)
45½	30½	Marling Ind. 10p	43½	.....	1.08	1.7	3.5	(31.6)
34	25	Marshall L'sg. 'A'	26	.....	‡1.2	—	‡	—
68	44	Marshall's Univ	56	.....	B—	—	—	(100.5)
32½	23	Martin-Black	29	.....	—	—	—	—
£130	£85	♦Matthesons 7¼%	£97	.....	07¼%	2.3	8.2	—

LEISURE—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
100	40	Black & Edgtn.	76	−2	♦—	—	♦0.2	20.1
178	118	Boosey & Hawkes	158	.....	†2.3	1.5	2.1	(9.8)
61	32	Campari Int. 20p	38	−1	‡d2.73	1.2	‡	(8.3)
370	160	♦Cntrl TV N/Vtg 50p	368	+8	—	—	—	—
36	23	Fairline Boats 10p	36	.....	†d2.0	—	4.0	—
40	14½	GRA Group 5p	40	.....	—	—	—	51.4
67	45	Grampian TV A 10p	67	+1	3.6	2.9	8.0	5.2
184	136	HTV Non-Vtg.	182	.....	11.0	2.2	8.6	7.7
222	118	Horizon	133	−2	†3.6	5.7	3.9	5.8
162	91	Intasun 10p	142	.....	4.0	4.5	4.0	6.5
60	22	♦Interpane Video 10p	27xd	.....	1.0	♦	3.8	♦
380	258	Juliana's Hldgs 2p	370	.....	b4.9	2.4	1.9	26.9
185	139	LWT "A"	177xd	.....	11.08	♦	8.9	♦
*147	55	Leisuretime Int 10p	55	.....	d1.54	♦	4.5	♦
132	108	Mount Ag. M 10p	132	.....	8.75	1.6	11.2	8.1
72	52	Medminster 10p	70	+2	4.4	♦	9.0	♦
170	110	Mid World Gp 10p	168	.....	b3.0	2.5	2.4	24.4
23	17½	♦Nationwide 5p	20	.....	—	—	—	—
128	31	♦Kanslo Int 20c	35	.....	—	—	—	—
128	45½	Norton Opax 10p	113	.....	d2.17	4.5	2.7	8.1
30	22½	♦Owners Abroad	27	.....	0.5	4.5	2.6	12.1
47	36	Photax (Lon.)	38	.....	—	—	—	—
153	90	♦Pleasurama Inc 10p	100xd	−2	61.5	♦	2.1	♦
363	217½	Pleasurama 5p	358	.....	t5.75	4.5	2.3	20.9
173	108	Radio City 'A' NV	140	.....	g6.6	1.6	5.8	15.0
209	138	Riley Leisure 10p	179	.....	†3.95	1.7	3.2	25.0
132	83	Saga Hols. 20p	103	.....	d3.73	—	5.2	—
515	345	Samuelson Grp £1	385	.....	m12.0	2.8	4.6	13.2
109	94	Scott. TV 'A' 10p	109	.....	7.35	2.2	9.6	6.7
68	28	♦SelecTV 10p	43	.....	—	—	—	—
24	15½	TSW 5p	21½	+½	1.2	♦	8.0	♦
77	30	♦TVS N/Vtg 10p	77	.....	—	—	—	42.4
29	19	♦Television Serv 10p	20	.....	b0.2	3.9	1.4	30.8
121	64	Trid'nt TV 'A' 10p	119½	−1½	†h4.26	1.4	5.1	20.5
180	105	♦21st Century Dist	120	.....	—	—	—	—
24	15	Webb (Jos.) 5p	17	.....	d0.51	0.5	4.3	—

PROPERTY—Continued

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

OIL AND GAS—Continued

[illegible]

MINES—continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
		Australians					
28½	13½	♦ACM 20c	18½	+½	—	—	—
52	32	Allstate Explo NL	40		—	—	—
40	9	♦Australis Mng. NL	26	+2	—	—	—
25	11	Balmoral Resources	14	.....	—	—	—
60	34	♦Black Hill Mins.	37	+1	—	—	—
85	51	♦Bond Corp	81	+2	Q10c	♦	7.9
183	116	♦Bougainville 1 Kina	147	+1	Q3.21	1.2	14
372	204	♦CRA 50c	344	.....	Q3c	—	0.5
145	60	♦Carr Boyd 20c	75	.....	—	—	—
38	25	♦Central Kalgoorlie	35	..	—	—	—
43	18	♦Central Pacific	24	.....	—	—	—
9	2¾	♦Cons Gold Mng Areas	3½	.....	—	—	—
17	5	♦Coopers Res N.L.	8½	.....	—	—	—
255	183	♦Crusader Oil	220	+10	—	—	—

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

"Recent Issues" and "Rights" Page 35

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Crescent Unit Tst. Mngrs. Ltd. (a)(g)				
4 Melville Cres., Edinburgh 3				031-226 3492
Cres. American	61.8	66.7xd	-0.4	0.82
Cres. Capital	43.2	46.6	-0.4	1.88
Cres. Growth & Inc.	74.9	80.8	-0.4	5.11
Cres. High. Dist.	59.9	64.6xd	+0.1	7.55
Cres. International	121.3	131.0	.....	1.85
Cres. Resources	25.0	26.9	.....	2.23
Cres. Tokyo	78.8	85.1	+0.5	0.29

Govett (John) Unit Mngt. Ltd.				
Winchester Hse, 77, London Wall, EC2				588 5620
Govett American	47.5	51.3	.....	0.20
Govett Gold & Min.	—	50.0	.....	2.25
Govett Japan	54.0	58.3	.....	0.26
Stockholders*	245.7	261.2	.....	1.49
(Accum Units)*	324.5	345.1	.....	1.49
Stckhldrs Europe*	82.2	86.6	.....	1.28

*Prices on Nov 4. Next dealing Nov 18.

INSURANCES

Authorised Units—continued

Atlanta Unit Managers Ltd				
1 Founders Ct. Lothbury, EC2.				01-600 8664
JapaFarEast	46 9	50.3	...	1.0
Baillie, Gifford & Co Ltd				
3 Glenfinlas St. Edinburgh.				031-225 2581
JapExNov9	140.3	147.1	....	0.34
IntEx*Nv16	225.9	238.3	+1.1	1.51
BGPPntD15	214.2	225.5	...	—

†Next dealing day.
*Unauthorised.

Equity & Law Un Tst Mngrs (a) (b) (c)				
Amersham Rd. High Wycombe.				0494 33377
Euro Tsr Acc	61.2	65.8	...	1.58
Robert Fleming & Co Ltd				
8 Crosby Square, EC3A 8AN.				01-638 5858
AmExFd*	£266.86	274 67	+11.36	0.85
JapExFd*	£162 63	167.74	+3.09	1.14

Next subscription day Dec 1 1983.
*Fleming American Property Unit Trust.
Latest issue price (15/11) US$10.621.
Units are issued on Feb 15, May, Aug, Nov.
*Fleming Property Unit Trust.
Latest issue price (29/9) £2.070.
Units are issued on March 25, June 24, Sept 29 & Dec 25.
*Unauthorised.

Guardian Royal Ex Unit Mngrs Ltd (a)				
Royal Exchange EC3V 3LS.				01-638 2020
Gilt & Fixed	117.1	121.7	+0.6	9.61
Growth Eq	101.0	108.7xd	-0.8	2.52
Guardian	184.5	191 1	-2.0	3.31
Nth Amer	94.8	102.0xd	-0.5	1.84
Pacific	104.9	112 9xd	+0 4	0.38
Prop Shares	103.9	111 8	-0.9	2.07
Smaller Cos	108.5	116 7xd	+0.2	2.06
H.B.L. Unit Trust Mngrs Ltd (a) (c) (g)				
Premier NT Admin, 5 Rayleigh Rd, Hutton, Brentwood, Essex.				0277-227300
SmllrCosTst	52.1	55.1	-0.2	4.28
Nth Amer	47.9	50.7xd	-0.3	1.56
Japan Far Tst	53.3	56.4xd	+0.3	1.29
ScandinvnTst	48.1	50.9	-0.2	1.47
Hexagon Services Ltd				
4 Gt St Helens, London EC4P 3EP.				0708 45322
AustFrs	110.2	116.0	..	2.43
Brewin Cap	83.1	87.5	+2.3	0.61
Brewin Int	76.7	80.8	+2.0	3.81
Canada Grw	108.8	117.0	+1.4	0.9
Lawson Fund Managers Ltd (a) (c) (g)				
43 Charlotte Sq. Edinbgh 2.				031-225 6001
Charlt Sq Fd	55.6	57.6	....	4.5
Pen Shr Fd	14.0	15.0	....	1.6
Aust & Pac	8.1	9.1	+0.1	0 6
High Yield	19.2	21.7xd	....	11.00
Do Accum	20.6	21.1xd	....	11.00
London & Manchester (Tst Mgmt) Ltd				
72-80 Gatehouse Rd, Aylesbury.				0296 5941
Gen Tst	—	25.0	....	—
MGM Unit Managers Ltd				
MGM House, Heene Road, Worthing.				01-623 8211
High Inc	127.2	136.8	+0.4	6.67
(Accum Uts)	133.3	143.3	+0.5	6.67
UK Growth	121.4	130.5	....	3.23
(Accum Uts)	122.9	132.1	-0 1	3.23
MLA Unit Trust Management Ltd				
Old Queen St. SW1A 9JG.				01-222 8576
MLA Uts	189.8	199.2	....	2.68
MLA Itn	28 5	29.9	...	0.83
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST.				01-236 0952
7 Day Fund	—	—	....	8.91
Call Fund	—	—	....	8.80

*Unauthorised—Sterling Deposit Fund.

Scottish Unit Managers Ltd				
29 Charlotte Sq. Edinburgh.				031-226 4372
Pacific Fund	25.7	27.8	+0.2	0.30
World Grwth	23.4	25.3xd	....	2.36
Nth Amer	24.3	26.3	....	0.37
Income Fund	23.9	25.9xd	-0.2	4.90

Offshore and Overseas—continued

Actibonds Investment Fund SA				
37 rue Notre Dame, Luxemb'rg.				Tel 47971
Actibonds IN	—	$20.01	+0.16	—
Alliance Capital Management Intl Inc				
62 63 Queen St. London EC4.				01-248 8881
Alliance International Dollar Reserves				
Distribution Nov 1-6 (0.001397)				(8.87%)
HealthCrNov9	—	$8.50	....	—
TechnologyNv9	—	$20.51	....	—
QuasarNov9	—	$45 54	....	—
Aries Fund Managers Ltd				
PO Box 284, St Helier, Jersey.				0534 72177
SterlFxdInt	£10.78	10.84	+0.23	—
Bamford Brandt Guernsey Mngt Ltd				
PO Box 71, St Peter Port, Guernsey.				0481 26541
Tech&Coms	£7.85	8.12	....	—
IntGrowth	$16.32	17.32	....	—
Brown Shipley Tst Co (Jersey) Ltd				
PO Box 583, St Helier, Jersey.				0534 74777
StlgCapital	£16.46	16.47	....	—
IntCurrency	£1.08	1.14	.	—
IntBondInc	$10.39	10.95	+0.06	—
IntBondAc	$10.39	10.95	+0.06	—
CAL Investments (IoM) Ltd				
16 St Georges St Douglas IoM.				0624 20231
CAL C&C*	83.6	88.0	....	—
CAL Metals	94.6	99.6	..	—
CAL Slv**	222.8	235.7	-3.3	—
CAL Gold**	89.0	93.7	...	—
CAL Copper**	—	—	..	—
CAL Alum**	89.0	93.9	+0.1	—

*Dealing days every Monday.
**Dealings daily.

Insurances—continued

Deposit	142.6	142.6	....	—
Mixed	189.9	193.8	....	—
Index Stk	109.6	110.7	....	—
International	112.7	114.9	....	—
London Life Managed Funds Ltd.				
Equity(P)	158.8	164.3	....	—
Fixed Int(P)	172.8	174.0	....	—
Property(P)	122.9	127.2	....	—
Deposit(P)	122.6	122.6	....	—
Mixed(P)	151.8	155.4	....	—
Index Stk	115.7	116.5	....	—
Int Equity	109.4	117.5	....	—
Moneywise Friendly Society				
80 Holdenhurst Rd, Bournemouth.				0202 295678
Mnywise Int	46.5	51.6	....	—
Municipal Life Assurance Ltd				
99 Sandling Rd. Maidstone.				0622 679351
Equity Fd	97.0	103.0	+1.0	—
Managed Fd	104.0	110.0	....	—
Premium Life Assurance Co Ltd				
Eastchester House, Haywards Heath.				0444 458721
Nat Res'ces	102.0	108.0	....	—
Property	140.0	148.0	....	—
UK Equity	139.0	147.0	....	—
Intl Equity	122.0	129.0	....	—
Jarretts Fd	95.0	100.0	....	—
Prudential Pensions Ltd				
Holborn Bars, EC1 2NH.				01-405 9222
Pru Link Retirement Plan				
Managed Fd	147.9	154.1	+3.6	—
Cash Fd	114.1	116.9	+0.2	—
St George Assurance Co Ltd				
The Priory, Hitchin, Herts.				0462 57161
Managed Fd	105.1	110.7	+1.8	—
Universal Fd	100.4	105.7	+0.4	—
Save & Prosper Group				
4 Gt St Helens, London EC3P 3EP.				0708 66966
DepPenFd*	187.9	198.9	....	—
Gilt Pen Fd	190.7	201.9	-0.2	—
GlobalEqPen	56.6	59.9	+0.3	—
Scottish Provident Institution				
6 St Andrews Sq, Edinburgh.				031-556 9181
Mixed	96.4	101.6	-0.1	—
Equity	97.1	102.3	-0.6	—
International	96.3	101.5	+0.1	—

International	175.8	185.1	-0.1	—
N America	105.8	111.4	-0.4	—
N European	103.6	109 1	....	—
Pacific	109.4	115.2	+0.8	—
IntRecovery	115.0	121.0	-0.5	—
Gilt Plus	144.4	152.0	+0.2	—
Property	129.3	136.1	....	—
Deposit	132.1	139.1	....	—
PensManagd	183.0	192.6	....	—
Pens Equity	188.8	198.7	-0.3	—
Pens Intl	214.8	226.1	....	—
Pens NAmer	106.8	112.4	....	—
Pens N Euro	106.8	112.4	....	—
Pens Pacific	112.8	118.7	+0.9	—
Pens Int Rec	118.5	124.7	-0.6	—
Pens Gilt Pls	175.2	184.4	+0.2	—
Pens Prpty	157.9	166.2	+0.1	—
Pens Dep	162.1	170.6	....	—

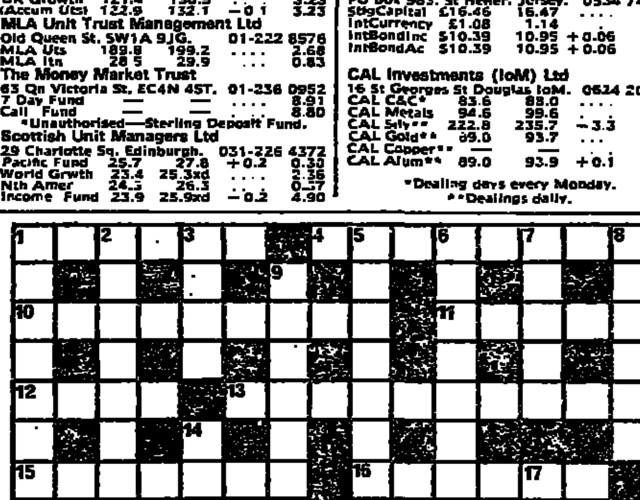
For prices of Capital Units and Guaranteed Basic Rates please phone 0705 334411.

Swiss Life Pensions Ltd				
99-101 London Rd. Svnoaks.				0732 450161
Equity	£95.77	£98.73	....	—
Fixed Int	£101.92	£102.43	....	—
Index Lkd	£100.74	£101.24	....	—
Property	£106.46	£108.72	....	—
Cash	£100.74	£100.74	....	—
Mixed	£99.51	£102.58	....	—

Next sub day December 1

Target Life Assurance Co Ltd				
Target House, Gatehouse Road, Aylesbury. Bucks.				Aylesbury (0296) 5941
Sterling	—	—	....	8.5
U.S. Dollar	—	—	....	5.5
Swiss Franc	—	—	....	0.2
Deutsche Mark	—	—	....	2.9
Yen	—	—	....	3.0
TSB Life Ltd				
PO Box 3, Keens House, Andover, Hants. SP10 1PG.				
Managed Fd	106.5	112.2	+0.4	—
Property Fd	98.3	103.6	....	—
Fixed Int Fd	103.2	108.7	+0.3	—
Money Fd	98.3	103.6	....	—
Equity Fd	112.9	116.9	+0.8	—
Windsor Life Assurance Co Ltd				
Royal Albert Hse, Sheet St.				Windsor 68144
N Amer Fd	194.1	204.3	....	—
FutAssGth	75.0(A)	85.0(B)	....	—
FutAssPen	—	51.80	....	—
Far East Fd	125.6	132.1	....	—

F.T. CROSSWORD PUZZLE No. 5,271



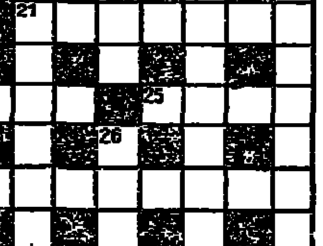
ACROSS

1 Luxuriated between the sheets like a king (6)
4 Promised it could be softly lit (8)
10 A tense, dry sort of sitting (9)
11 Take note from previous source of mother-of-pearl (5)
12 Sterilise the swelling (4)
13 The small figure is net, Sid; but the return will create internal expansion (10)
15 The French overcharge: it's perpetual (7)
16 I clear cake mixture (6)
19 Calling for me next to row (6)
21 What bus can be re-directed and used for cleaning? (4-3)
23 Is having a small drink in specified time so debauched? (10)
25 In the bath I find I get excellent sound reproduction (2-2)
27 Illogical language (5)
28 I'm hanging in as expected (9)
29 Bar worker thrown into confusion by red alert (8)
30 Complained, although said to be plied with drink (6)

DOWN

1 Poor shot, but game (8)
2 Team result is of minor importance (4-5)
3 Put up payment in advance for a high-rise feature in Europe (4)
5 In late, but prepared for baby (7)
6 Description of team without support and with nowhere to play? (10)
7 Rates are included in system pioneered by local government (5)
8 Making repairs without a centre pole is rather bold (6)
9 Assessment of tar (6)
14 It's less badly lit in one storeplace (10)
17 An automatic reaction while teaching (9)
18 Contracted to have first two letters embossed (8)
20 Sense is clear (7)
21 Wife lends a hand with naughty children (6)
22 Notice the rent is uncontrolled (6)
24 Fish in a French river (5)
26 Small island, not very long (4)

Solution to puzzle No. 5,270



INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	233.17		...	—
Managed Inv. Fd.	156.86	165.12	...	—
Property Fd.	151.46	159.44	...	—
Fixed Interest Fd.	146.09	153.78	...	—
Cash Fd.	136.49	143.68	...	—
Income Fd.	168.36	177.22	...	—
Extra Income Fd.	160.75	169.22	...	—
Worldwide Growth Fd.	219.35	230.90	...	—
Balanced Fd.	167.80	176.64	...	—
Smlr Co's & Recy. Fd	198.34	208.78	...	—
Int. Technology Fd.	250.82	264.03	...	—
Nth. Amer & Gen. Fd.	157.88	166.19	...	—
Energy Int. Fd.	100.47	105.76	...	—
Pacific Basin Fund	135.41	142.54	...	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	111.9	117.8	...	—
Property	112.5	118.4	...	—
Equity	114.1	120.1	...	—
International	125.0	131.6	...	—
Fixed Interest	102.1	107.5	...	—
Deposit	99.6	104.8	...	—
Managed Pen. Cap	111.9	117.7	...	—
Property Pens. Cap.	112.8	118.7	...	—
Equity Pens. Cap.	108.1	113.8	...	—
Intnl. Pens. Cap.	128.7	135.5	...	—
Fixed Int. Pens. Cap.	99.6	104.9	...	—
Deposit Pens. Cap.	97.4	102.5	...	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122.

Equity Gth Nov 2	91.5		...	—
Rtmt. Fed. Aug 5	255.4		...	—
Managed Pen Fund	184.4	194.1	...	—
Property Pen Fund	116.5	120.5	...	—
Index Lnkd Pen Fund	113.4	119.4	...	—
Managed	122.1	128.6	...	—
Property	104.1	109.6	...	—
Gilt and Fixed Interest	108.3	114.0	...	—
Index-Linked	99.3	104.6	...	—
Equity	121.2	127.6	...	—
Cash	104.2	109.7	...	—

G.T. Management Ltd.
16 Finsbury Circus, Lond EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	123.2	129.7	+0.4	—
GT Pln High Yld Fnd	121.9	128.4	...	—
GT Plan Far East Fnd	113.8	119.8	...	—
GT Plan N. Am Fd.	[illegible]	[illegible]	...	—
GT Pln UK&G.E. Fnd	[illegible]	[illegible]	...	—
GT Pln Wrldwde Fnd.	132.6	139.6	...	—
GT Pension Bnd Fnd.	132.7	139.7	+0.4	—
GT Pen High Yld Fd	138.0	145.3	...	—
GT Pen Far East Fd	138.2	145.5	...	—
GT Pen N. Am. Fd.	198.0	208.5	...	—
GT Pen UK & G.E. Fd.	157.1	165.4	...	—
GT Pen Worldwide Fd.	140.9	148.4	...	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl Managed Bond	166.9	175.71	...	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	250.4	—	+4.2	—
Portfolio Fd. Init.	206.3		+3.7	—
Gilt Plan 88	95.0	100.0	...	—
Investment Auts.	250.5	263.8	+4.5	—

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	268.8	283.2	...	—
Money Fd	155.5	163.7	...	—
Equity Fd.	226.3	238.4	...	—
Fixed Int. Fd.	117.8	124.1	...	—
Property Fd	172.1	181.3	...	—
Managed Pen. Fd.	253.9	267.5	...	—
Equity Pension Fd	179.8	189.5	...	—
Fixed Int. Pen. Fd.	166.5	175.4	...	—
High Yield Pen. Fd.	163.9	172.7	...	—
Money Pension Fd.	128.6	136.3	...	—
Property Pension Fd	127.3	134.1	...	—

Gresham/Framlington

American & Gen. Fd.	254.8	268.5	+3.0	—
Income Fd	185.3	195.3	+2.1	—
Int'l. Growth Fd.	271.2	285.8	+2.5	—

OFFSHORE AND OVERSEAS

World Wide Growth (Management)
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.51		+0.35	—

Inv. Adv.: M. & G. Inv. Mngt. Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	23.5	25.3	...	—
Chinese Fund	65.2	67.6	...	—
Precious Metal Fund	117.3	122.1	...	—
Vanguard Cmdy. Fd.	24.7	25.6	...	—
Financial Futures Fd	64.1	66.7	...	—
Wren Intl. Fnd.*	$0.458	0.477	...	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ⊕ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Zinc producers follow price rise

BY JOHN EDWARDS, COMMODITIES EDITOR

THE MOVE to lift the European zinc producer price by $25 to $950 a tonne, initiated by West German smelters Metallgesellschaft, was followed by other leading producers yesterday.

Cominco and Noranda, the big Canadian-based mining companies, both lifted their quoted prices outside North America to $950. So did AM&S (Europe), the UK-based smelter, and Pennaroya of France. *Billiton* in Holland was the first to follow Metallgesellschaft's increase on Tuesday.

The remaining producers are expected to fall into line. Although the European zinc producer price has been raised six times since May, the market remains strong, with a continued shortage of special high-grade zinc supplies.

On the London Metal Exchange yesterday zinc values advanced again to the highest level for nine years. The cash price closed £4.25 up at £599.75 a tonne.

Copper prices also rose strongly, aided by the weakness in sterling. The cash price gained £9.25 at £945 a tonne making an increase of £31 so far this week.

Several U.S. copper producers announced they were raising their domestic selling prices by 1 cent to 66 cents a pound.

Other metal prices were buoyed up by the firmer trend in copper, with the exception of tin, which came under selling pressure. The buffer stock of the International Tin Council supported the market at the lower levels, but allowed high-grade cash tin to decline by £50 to £8,732.5 a tonne, while the standard-grade cash price fell by only £17.5 to £8,642.5.

Chicago exchange faces block on new contracts

BY NANCY DUNNE IN WASHINGTON

THE STAFF of the Commodity Futures Trading Commission has recommended a halt in the approval of new contracts on the Chicago Board of Trade until the board implements fully effective surveillance and disciplinary procedures recommended by the commission in 1982.

The commission staff say in a report that the board of trade is slow to investigate allegations of rule violations and hesitant to discipline members who have been found in violation either of the exchange's own rules or those set down by the commission.

The staff say that although the board of trade has improved the overall quality of its investigations into trading practices, further improvements are necessary to fulfil the recommendations made in 1982

If the commission agrees with the staff's recommendation, it could mean some delay in the board of trade request for approval of new stock index contracts. The exchange has been slow to enter the growing stock index futures arena, but recently concluded an agreement with the American Stock Exchange to introduce two contracts based on Amex indices. It had also hoped to launch several industry-wide commodity indices.

However, none of these contracts would have been considered in the next two months said Miss Susan Phillips, acting chairman of the commodity Futures Trading Commission.

Italian olive farmers to oppose EEC

ITALIAN FARMERS said they would put pressure on Agriculture Minister Filippo Pandolfi to oppose *the* EEC decision to cut olive oil subsidies for the 1983-84 market year.

An official of the Italian National Farmers Union said: "The Community decision must be vetoed. We will seek recourse to every instrument which Community practices allow, including the right to block Community decisions which harm vital Italian interests."

● NEW ZEALAND produced and processed 35.6m lambs in the season just ended—up 12 per cent on last season. Mutton output rose 2.3 per cent with 9m sheep processed. Beef output fell slightly to 9.1m cattle killed, while veal output fell by about 12 per cent.

● INTERNATIONAL Natural Rubber Organisation Council *began a three-day session in* Kuala Lumpur to review the buffer stock price and range, and to appoint a new executive director.

● MALAYSIAN crude palm oil output in October fell to an estimated 294,000 tonnes from a revised 309,642 in September and 396,985 in October last year. Output for the first 10 months of this year was 2.56m tonnes, down from 2.99m in the same period last year.

● EUROPEAN Commission postponed its weekly sugar tender until today because of yesterday's public holiday in West Germany.

● JAPAN'S agricultural price support ratio was 45 per cent of total domestic output value in 1980 compared with the average 26 per cent of the European Community, according to a survey by the Social Science Forum for Policy Innovation. The survey compared Japan's protection level with nine other industrialised countries every five years between 1955 and 1980.

William Chislett on Mexico's plan to reduce reliance on imports

Modest step towards self sufficiency

MEXICA HAS announced a plan to boost food production and reduce the country's increasing *dependence on imports.*

The country's $85bn foreign debt crisis has laid heavy financial constraints on the scheme, called Pronal. Its goals are very modest compared with the previous costly and ambitious food scheme, known by its acronym of Sam.

However, the very modesty of the new scheme may give it a chance to succeed where Sam failed — plans in Mexico have a habit of failing because they are too ambitious or they get bogged down in the country's bureaucracy.

Sam was introduced in 1980 and scrapped last December when President Miguel de la Madrid took office. But the country's agricultural sector remains so depressed that it poses a threat to political stability. Pronal is an attempt to improve matters.

Food imports this year are estimated at 10m tonnes and will be paid for by $1.7bn of U.S. Government agricultural credits. By contrast, Sam was in operation at the height of Mexico's oil boom when the economy was awash with petrodollars, and Sr Jose Lopez Portillo's Government paid *scant regard to cost benefit.*

This Government is taking a more realistic approach, as its straitened circumstances demand. Instead of pushing for self-sufficiency in all crops at a high economic cost, the emphasis is now achieving "food sovereignty" by 1988 in basic food stuffs such as corn.

Sam aimed for total self-sufficiency by 1985 — an impos*sible target because only 15 per* cent of total land space — 30m hectares — is potentially arable land.

More emphasis is now being given to increasing the amount of irrigated land under cultivation, rather than rain-fed areas, to earn more hard currency from increased export crops, such as strawberries and tomatoes.

The Government hopes to bring 2.5m more hectares under cultivation by the time it leaves office in 1988, 1m of them irrigated. The Lopez Portillo Government irrigated an extra 739,000 hectares. There are currently about 17m hectares under cultivation, one quarter of them irrigated.

Sam brought a record 3m *extra hectares of rain-fed* land under cultivation in 1981. But the next year most of this land was idle again because it was marginal and easily affected by drought.

Subsidies are also being much more selectively applied. But the Government has made it very clear that while it is much more monetarist in outlook it is not going to adopt a free market policy towards food prices. *It fears* that such an approach would spark off food riots. Some 30m Mexicans are already officially estimated to be suffering from malnutrition.

Milk, egg and rice prices, which are all government controlled, were increased this month. But the price of totilla, the corn-based pancake which is a staple food for millions of poor Mexicans, remains unchanged, although the guaranteed price for corn paid to producers rose to 19,200 pesos ($12.8) a tonne—an increase of 117 per cent over October 1982.

The strong State role is underscored by the lack of emphasis placed on foreign and Mexican private investment in the new plan.

The Government is trying to attract greater foreign investment for the economy as a whole but has ruled out such investment for the food sector unless it is done in conjunction with the Government and not the Mexican private sector.

The Government has changed its policy on guaranteed prices, to encourage peasant farmers to produce more. Now there will be two increases a year: One when the planting season begins an dthe other before harvesting, if production costs rise more than expected.

There is also talk of paying producers with food coupons rather than cash. Conasupo, the State-run basic foods agency, introduced a special food package into its stores this month including flour, cooking oil, beans an drice. The package is much cheaper than buying the same items individually.

The idea is to try to improve the protein intake of the poorest 30m which has deteriorated because of the economic crisis.

Soviets hint at better grain harvest

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

A SENIOR SOVIET official yesterday gave the first, oblique confirmation of Western estimates that the crucial Soviet grain harvests this year will be about 200m tonnes, the best since 1978.

Mr Leonid Kostandov, a Soviet deputy premier, told reporters after a *meeting of* the Soviet-West German economic commission in Moscow, that the 1983 crop was the third best in the past eight years. The Soviet Union has been so sensitive about the poor performance of its agriculture that it has not published any crop figures in the past two years.

The record harvest was 237m tonnes in 1978. The next best years were 1976 with 223m tonnes and 1977 with 195m tonnes. Thus, the implication of Mr Kostandov's comment was the grain output *this year was between* 1976 and 1977 levels, and a lot better than in the early 1980s.

However, the Soviet Union will still need to import around 30m tonnes of grain this year, according to the U.S. Department of Agriculture. Mr Kostandov was in London recently to negotiate with ICI of the UK for help in improving Soviet plant yields, an area in which the Soviet Union is also drawing on the proven expertise of Hungary.

***The Soviet food programme,* started by the late President Brezhnev last year, is thought to hold considerable contract potential for Western companies, in pesticides, fertilisers, and grain storage.**

Meat output hits record

MEAT OUTPUT from Soviet farms rose to a record 13.92m tonnes in the first 10 months of this year, compared with 13.09m tonnes in the same period last year, according to the Central Statistical Board.

Western officials say annual output is certain to be a record on the basis of the January to October figures. Beef output, which makes up more than half meat output, rose by 4 per cent. Pork output rose 11 per cent, sheep and goat production rose 4 per cent, and poultry was up 9 per cent.

Growth in flower sales called for

By Barbara Dalzell

FLOWER PRODUCERS, wholesalers and retailers should adopt a unified and more aggressive marketing approach if the wish to increase sales

This theme was reiterated by speakers from all sections of the flower industry at yesterday's Bloom '83 conference on marketing flowers and plants.

Britain has the lowest per capita consumption of flowers and pot plants of any country in western Europe. Only 20 per cent of British households buy flowers on a regular monthly basis, compared with 57 per cent in the Netherlands, 41 per cent in Western Germany and 33 per cent in France.

Mr Jonathan Choat, whose public relations company specialises in marketing, said florists should understand the difference between active selling and passively providing a service. He criticised the off-putting atmosphere in florists' shops—"like a temple"—and said flowers should be identified clearly, with prices shown.

He called for more retail outlets — supermarkets, groceries, railway stations and high street stalls. Greater accesibility would expand the total market, he said.

Mr Dirk Schuitemaker, marketing manager of the Flower Council of Holland, also stressed that increased numbers of outlets stimulated impulse sales. Consumer demand should be reinforced by promotion and advertising.

Mr Brian Wills-Pope, former chairman of Interflora's publicity committee, said his company had a £1.2m advertising budget this year for television and press advertising. As a result, volume sales increased by 11 per cent and the value of sales rose by 19 per cent between January and August.

The retail sector was committed to advertising because it feared for its livelihood without it, he said. But he challenged producers to assume some responsibility for advertising.

PRICE CHANGES

In tonnes unless stated otherwise	Nov. 16 1983	+ or —	Month ago
Metals			
Aluminium	£1050	....	£1050
Free Mkt	$1510/1540	....	$1600/630
Copper			
Cash h grade	£945.00	+9.25	£965.75
3 mths	£967.25	+8.75	£990.75
Cash Cathode	£928.5	+9.0	£943
3 months	£951.5	+8.5	£968.5
Gold troy oz	$383.125		$394.375
Lead Cash	£276.25	+1.0	£286.75
3 months	£285.75	+1.5	£294.75
Nickel	£4646.34		£4646.34
Free mkt	208/228c		215/232c
Palladium oz.	$149.00	+3.75	$144.50
Platinum oz	£265.75	+4.2	£258.85
Quicksilver†	$510/520	....	$520/530
Silver troy oz	607.95p	−2.55	661.55p
3 mths	621.40p	−2.65	676.15p
Tin cash	£8642.5	−17.5	£8535
3 month	£8760.5	−17.0	£8616.5
Tungsten	$78.25	....	$85.79
Wolfr'm 22.04 lb	$69/75	....	$79/83
Zinc Cash	£599.75	+4.15	£592.5
3 mths	£613.25	+3.5	£605.75
Producers	$925	....	$880

	Nov. 16 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$900y	....	$860
Groundnut	‡	....	‡
Linseed Crude	‡	....	‡
Palm Malayan	$660v	....	$677.5
Seeds			
Copra Phil	$585x	....	$580
Soyabean (U.S.)	$326.75	−4.5	$346
Grains			
Barley Fut. Jan	£119.75	−0.15	£120.50
Maize	£146.00	....	£146.00
Wheat Fut. Jan	£121.50	+0.30	£124.55
No2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1608	+2	£1464
Fut. March	£1560.5	−16	£1412.5
Coffee Ft. Jan.	£1907	+20	£1891.5
Cotton A.Index	89.40c	+0.1	87.65c
Gas Oil. Dec	$249.50	−0.50	$254.75
Rubber (kilo)	79.5p	+0.5	76.5p
Sugar (Raw)	£134yv	−4	£161
Wooltops 64s.	401p kilo	....	400p kilo

‡ Unquoted. u Dec. v Jan. x Dec-Jan. y Nov-Dec. † Per 76 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.10-28.25	−0.05
Iranian Light	27.85-28.00	−0.05
Arabian Heavy	26.20-26.30	−0.02
North Sea (Forties)	28.65-28.85	−0.02
North Sea (Brent)	28.80-29.00	—
African Bonny Li'ht	29.30-29.65	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	293-298	−0.5
Gas oil	247-256	−1.5
Heavy fuel oil	167-170	−1.0

GAS OIL FUTURES

Prices opened a shade weaker but steadied to the highs as a failure to follow through on the downside encouraged further short-covering. A steady opening in New York gave support to the market but prices came under pressure later, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Nov	246.00	+0.50	247.25-45.00
Dec	249.50	−0.50	251.50-49.25
Jan	249.75	−0.25	251.50-48.25
Feb	248.50	−0.50	250.00-48.00
Mar	244.00	−0.50	245.00-43.25
April	239.50	−1.00	239.50
May	238.00	−1.00	239.50
June	238.00	−0.50	238.00
July	237.00	—	237.00

Turnover: 1,923 (2,692) lots of 100 tonnes.

GOLD MARKETS

Gold closed unchanged from Tuesday's close in the London bullion market yesterday at $382¾-383¼. Trading was extremely dull and featureless with only a limited improvement *in volume after the opening of* New York. The metal opened at $382½-383¼ and traded between a high of $383¾-384 and a low of $382-382½.

In Paris the 12½ kilo bar was fixed at FFr 100,050 per kilo ($382.43 per ounce) in the afternoon compared with FFr 100,050 ($382.76) in the morning and FFr 100,500 ($383.77) on Tuesday afternoon.

In Luxembourg the dollar per equivalent of the 12½ kilo bar was fixed at $383 unchanged from Tuesday.

There was no gold fixing in Frankfurt because markets were closed for a public holiday.

In Zurich gold finished at $382-385 unchanged from Tuesday

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Nov	381.00-84.00	−0.65	—
Dec	385.00-85.20	+0.25	385.20-85.80
Feb	391.00-91.50	+0.25	—
April	397.50-97.80	+0.20	—
June	403.50-04.50	+1.10	—
Aug	410.10-11.00	+1.20	—

Turnover: 265 (351) lots of 100 troy ounces.

	Nov. 16		Nov. 15	
Gold Bullion (fine ounce)				
Close	$382¼-383½	(£258-258½)	$382¾-383½	(£257½-258)
Opening	$382½-383¼	(£257½-258)	$383-383¾	(£258-258½)
Morning fixing	$383	(£257.618)	$383.85	(£258.081)
After noon fixing	$383.25	(£257.784)	$383.35	(£258.081)

Gold and Platinum Coins Nov. 16

Krugrnd	$394½-396	(£266-267)	King Sov	$93½-95	(£63-64)
½ Krg	$201½-202½	(£136-136½)	Victoria Sov	$93½-95	(£63-64)
¼ Krg	$103½-104½	(£69¾-70½)	French 20s	$74¼-76	(£50-51¼)
1/10 Krug	$42-43	(£28¼-29)	50 pesos Mex	$464-466	(£313-314½)
Mapleleaf	$394¼-396	(£266-267)	100 Cor. Aust	$372-376	(£251-253¾)
New Sov	$89¾-90¾	(£60½-61)	$20 Eagles	$535-545	(£361-367¾)
½ New Sov	$54¼-55	(£36½-37)	Noble (Plat)	$405¾-410¼	(£273¾-276½)

EUROPEAN MARKETS

ROTTERDAM, November 16.

Wheat—(U.S.$ per tonne): U.S. Two Red Winter Dec 157.50, Jan 159.50, Feb 160, March 161. U.S. Northern Spring 14 per cent protein. Nov 185.50, Dec 187.50, Jan 195, Feb 195, March 195, April/May 180.50. U.S. Three Amber Durum Nov 208, Nov 20/Dec 20 208, Dec 208, April/May 207. Canadian Western *Spring Nov 15/Dec 15* 212, April/May 218.

Maize—U.S. Three Yellow arrived 164, Nov cif Ghent 164, Dec 162, Jan/March 164, April/June 163 sellers. Argentina Plate Dec 178 sellers.

Soyabeans—(U.S.$ per tonne): U.S. Two Yellow Gulfports Nov 320.75, Dec 324, Jan 327.50, Feb 331.60, March 335.30, April 337.70, May 338.60, Oct 266.50, Nov 266.50, Dec 270, Jan 274.50 sellers. Argentine afloat 318.25 sellers.

Soyameal—(U.S.$ per tonne): 44 per cent afloat 263, Nov 264, Dec 267, Jan 274, Jan/March 278, April-Sept 271, Nov/March 1984-85 231 sellers. Pellets Brazil afloat 279, Nov 285, Dec 291, Jan 301, April-Sept 273 sellers. Pellets Argentine afloat 273, Nov 276, Dec 278, *Jan 283, May/Sept 268 sellers.*

PARIS, November 16.

Cocoa—(FFr per 100 kg): Dec 1875-1880, March 1904-1904.50, May 1930-1935, July 1965 ask, Sept 1974 ask, Dec 1995 ask, March 2015 ask.

Sugar—(FFr per tonne): March 1976-1980, May 2056-2060, Aug 2136-2150, Oct 2215-2225, Dec 2200-2280, March 2370-2380.

BRITISH COMMODITY PRICES

BASE METALS

BASE METAL markets generally opened nervously on the London Metal Exchange with prices a little easier, rallied strongly during the day as sterling weakened and reacted a little to profit-taking at the close. Zinc tested support at the £600 level before moving ahead strongly to reach an all-time high of £616, and then edged downwards on the Kerb to close at £612. Copper was finally £965 after £968.5. Lead closed at £285. Aluminium at £1,048.5 and Nickel at £3,160. Tin was supported at £8,760 and closed at that level, with high-grade finally £8,780.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	940-.5	+8	944.5-5.5	+9.25
3 months	963-.5	+6.5	967-.5	+8.75
Settlem't	940.5	+7.5	—	—
Cathodes				
Cash	925.5-6	+7.5	927.5-8.5	+9
3 months	948.5-9	+6.25	951-2	+8.5
Settlem't	926	+7.5	—	
U.S. pro'd	—	—	*65-9	.....

Amalgamated Metal Trading reported that in the morning higher-grade cash *copper traded at Cash* £940.5. *Three* months £959, 59.50, 60, 60.50, 61, 61.50, 61, 60.50, 62, 63, 63.50, 64, 63.50, 63. Cathodes: Cash £926. Three months £948. Kerb: Higher Grade £965. Afternoon: Higher Grade Cash £945, 44.50. Three months £968, 68.50, 68, 67, 66.50, 67, 67.50. Kerb: Higher Grade: Three months £966, 65, 64.50, 64, 64.50, 65. Turnover: 10,775 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8750-1	−22	8730-5	−50
3 months	8780-5	−25	8780-2	−28.5
Settlem't	8751	−24	—	.....
Standard				
Cash	8640-5	−32.5	8640-5	−17.5
3 months	8760-1	−22.5	8760-1	−17
Settlem't	8645	−35	—	.....
Straits E.	†$30.28	—	—	.....
New York				

Tin—Morning: Standard: Cash £8,645. Three months £8,765, 63, 60, 61, 60, 61. Kerb: Standard: Three months £8,765. High Grade: Three months £8,785. Afternoon: Standard: Three months £8,763, 62, 61, 60. High Grade: Cash £8,730. Three months £8,780. Kerb: Standard: Three months £8,760. Turn*over. 1,285 tonnes.*

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	277-.5	+2.62	276-.5	+1
3 months	286.5-7	+2.12	—	.....
Settlem't	277.5	+2.75	286.5-7	+1.5
U.S. Spot	—	.....	*25.9	.....

Lead—Morning: Cash £276.50, 77. Three months £285.50, 86, 86.50, 86, 85.50, 86, 87, 86.50. Kerb: Three months £287. Afternoon: Three months £287, 86.25, 87. Kerb: Three months £286, 85.50. *Turnover: 10,975 tonnes.*

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	594.5-5.5	−.75	599.5-600	+4.25
3 months	608.5-9	−.375	613-.5	+3.5
Settlem't	595.5	−.5	—	.....
Prim w'ts	—	.....	*46-.75	.....

Zinc—Morning: Three months £604.50, 05, 05.50, 06, 06.50, 08, 09, 08, 08.50. Kerb: Three months £609, 09.50, 10, 09.50. Afternoon: Three months £610, 11, 12, 13, 15, 16, 15, 14, 13, 13.50, 14, 13.50. Kerb: Three months £614, 13, 12, 11, 12, 12.50. Turnover: 17,675 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1024.5-5.5	+2.75	1023.5-4.5	+.5
3 months	1061.5-2	+5	1050.5-1	−.5

Aluminium—Morning: Three months £1,049, 49.50, 50, 50.50, 51, 50.50, 50, 51.50, 52, 52.50, 53, 52.50, 52, 51.50. Kerb: Three months £1,052, 51, 51.50, 52, 52.60. Afternoon: Three months £1,054.50, 54, 53.50, 52, 51, 50.50. Kerb: Three months £1,052, 51, 50, 49, 48, 48.50, 49, 49.50, 50, 49, 50. Turnover: 1,300 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3085-8	+5.5	3092-6	+11.5
3 months	3151-2	+4	3167-9	+9.5

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

Nickel — Morning: Three months £3,165, 62, 65, 63, 62, 61. Afternoon: Three months £3,165, 70, 75, 70. Kerb: Three months £3,165, 60. Turnover: 846 tonnes.

SILVER

Silver was fixed 2.55p an ounce lower for spot delivery in the London bullion market yesterday at 607.95p. U.S. cent equivalents of the fixing levels were: spot 904c, down 2.3c; three-month 925.8c, down 2.1c; six-month 946.8c, down 1.6c; and 12-month 994c, down 5.1c. The metal opened at 610-612½p (906-910c) and closed at 608½-612p (904-908c).

LME—Silver (2,000 oz contract) — Three months: 622.0p (626.5p). Turnover 1 (same).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	607.95p	−2.55	609.5p	.....
3 months	621.40p	−2.65	622.5p	−1.8
6 months	635.70p	−2.30	—	.....
12months	663.30p	−4.75	—	.....

Turnover: 81 (63) lots of 10,000 oz. Morning: Large contract three months 623.5, 23.0, 22.5; small three months 621.0. Kerb: Untraded. Afternoon: three months 624.5, 23.0. Kerb: three months large 622.0, 20.0, 21.0, 22.0.

COCOA

After opening steadier than expected prices traded lower throughout the day reflecting light origin selling and trade selling, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1551-53	+1.5	1558-46
March	1560-61	−16.0	1580-59
May	1563-64	−18.0	1581-60
July	1565-66	−14.0	1584-64
Sept	1570-71	−12.5	1584-67
Dec	1580-81	−7.5	1595-78
March	1591-92	−8.0	1605-90

Sales: 4,915 (6,089) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound). Daily price for Nov 16: 102.45 (103.30): five-day average for Nov 17: 101.44 (101.03).

COFFEE

During an active session recent resistance levels were penetrated as strong trade and commission-house support encouraged a firmer market. Prices closed slightly below the highs on dealer profit-taking, reports Drexel Burnham Lambert.

COFFEE	Yest'day's Close	+ or —	Business Done
Nov	1900-05	+20.5	1900-79
January	1908-09	+25.0	1918-90
March	1864-66	+15.5	1872-55
May	1800-02	+5.5	1805-96
July	1755-57	+8.0	1755-50
Sept	1715-17	−5.5	1725-15
Nov	1686-96	+0.5	1702-46

Sales: 6,940 (3,831) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for Nov 15: Comp daily 1979 137.03 (136.90): 15-day average 135.82 (135.83).

GRAINS

Business done—Wheat: Nov 118.65-118.60, Jan 121.40-121.20, March 124.50-124.10, May 127.40-127.15, July 130.00-129.85, Sept 114.75 only. Sales: 181 lots of 100 tonnes. Barley: Nov 117.45-117.30, Jan 120.00-119.75, March 123.30-123.00, May 125.20-124.90, Sept 111.90-111.75. Sales: 163 lots of 100 tonnes.

Wheat and barley saw a technical rally after recent sharp drops. Trading was fairly light with long liquidation sell offs quickly absorbed. New crops remained quiet under pressure, reports Muirpace.

	WHEAT		BARLEY	
Mnth.	Yesterdy's close	+ or —	Yest'day's close	+ or —
Nov	118.80	+0.35	117.20	−0.55
Jan	121.30	+0.30	119.75	−0.15
Mar	124.40	+0.30	123.90	−0.10
May	127.35	+0.35	124.95	−0.05
July	130.00	+0.45	—	—
Sept	114.75	−0.15	111.80	−0.10

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 14 per cent: Dec 139.75, Jan/March 142 transhipment East Coast seller; English feed, fob: Nov 124, Jan/March 127.50 East Coast sellers. Maize: French: Nov 146, Dec 147, East Coast sellers. Barley: English feed fob Nov 121, Jan/March 125.50 East Coast sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: E. Mids. 115.80, N. East 116.30, Scotland 114.50. The UK monetary coefficient for the week beginning Monday November 21 is expected to remain unchanged.

POTATOES

The market was quiet with prices sipping slightly, reports Coley and *Harper.*

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Feb	187.10	186.50	188.5-87.50
April	222.00	223.00	223.5-21.70
May	226.90	227.80	228.5-26.50
Nov	77.00	77.50	—
Feb	87.50	88.00	—

Sales: 130 (364) lots of 40 tonnes.

RUBBER

The London physical market opened slightly steadier, attracted little interest throughout the day and closed quiet but steady, reported Lewis and Peat. The Kuala Lumpur November fob price for RSS No 1 was 261.75 (261.25) cents a kg and SMR20 217.0 (216.0).

No. 1 R.S.S.	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Dec	797-807	792-803	—
Jan	803-807	796-805	—
Jan Mch	803-804	798-800	804-801
Apl-Jne.	822-824	817-818	823-820
Jly-Sept	838-839	833-834	836
Oct.Dec	852-855	848-849	850
Jan Mch	867-872	863-864	—
Apl-Jne.	880-886	877-880	—
Jly-Sept	898-901	893-895	898-897

Sales: 128 (303) lots of 15 tonnes, nil (same) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 79.50p (79.00p): Dec 81.00p (80.50p): Jan 81.75p (81.00p).

SOYABEAN MEAL

The market opened 70p down in dull trading, reports T. G. Roddick. Prices eased further on commission house selling.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Dec	181.00-81.20	−2.15	182.50-81.00
Feb	187.50-87.80	−2.25	189.80-87.80
April	189.50-89.90	−2.55	191.10-89.90
June	185.00-85.50	−2.70	186.50
August	184.50-85.50	−3.25	186.50
October	173.00-75.00	−1.0	—
Dec	182.00-83.00	−2.0	—

Sales: 131 (63) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE — Raw sugar £134.00 (£138.00) a tonne for Nov-Dec-Jan shipment. White sugar £152.00 (same).

The market attempted to consolidate at the lower levels in the absence of fresh selling interest, reports C. Czarnikow.

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Dec	147.00-47.50	147.75-48.50	148.50-47.50
Mar	155.90	156.50	159.25-55.50
May	161.20	161.85	164.00-60.00

Sales: 2,015 (3,379) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £241.50 (£247.75) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for Nov 15: Daily price 8.34 (7.93): 15-day average 8.45 (8.50).

COTTON

LIVERPOOL — Spot and shipment sales amounted to 329 tonnes. Useful demand was encountered and the offtake was encouraging. Operations were centred on American-type varieties with interest displayed in Turkish and African styles.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 546.0, 547.0, 546.0-545.0; March 564.0, 566.0, 566.0-563.0; May 581.5, 582.0, 582.1-578.0; July 592.0, 592.1, 593.0-590.0; Oct 587.0, 588.0, 587.5-586.0; Dec 595.5, 596.0, 595.5-595.0; March 608.0, 612.0, untraded; May 614.0, 625.0, untraded. Sales: 186.

NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 409, 413, 412; Jan 407, 408, 410-408; March 413, 416, 415; May 419, 420, 421-420; Aug 437, 439, 438-435; Oct 438, 440, 439-437; Dec 442, 444, 443; Jan 443, 446, 445; March 448, 454, 454; May 462, 460, 463. Sales: 60.

MEAT/FISH

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 97.46p per kg lw (+0.83). GB—Sheep 132.25p per kg est dcw (+8.03). GB—Pigs 77.12p per kg lw (+2.52).

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed per stone: Shelf cod £4.80-£5.80, codlings £3.40-£4.00; small haddock £2.50-£3.60; medium plaice £4.70-£5.70; best small £4.50-£4.80; skinned dogfish (large) £11.00, (medium) £7.00; lemon sole (large) £11.00, (small) £7.00; rockfish £3.80-£4.20.

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 82.0 to 88.0; English hindquarters 96.0 to 100.0, forequarters 57.0 to 60.0; Ulster hindquarters 94.5 to 99.5, forequarters 57.0 to 59.5. Lamb: English small 58.0 to 63.0, medium 56.0 to 60.0, *heavy 53.0 to 54.0; Imported:* New Zealand PL 59.3 to 59.5, PX 57.0 to 58.0. Pork: English under 100 lbs 46.0 to 55.5, 100-120 lbs 50.5 to 54.0, 120-160 lbs 42.0 to 52.0.

INDICES

FINANCIAL TIMES

Nov. 15	Nov. 14	M'th ago	Y'ar ago
286.44	288.52	289.56	230.02

(Base: July 1 1952=100)

REUTERS

Nov. 16	Nov. 15	M'th ago	Y'ar ago
1895.4	1896.5	1914.2	1551.6

(Base: September 18 1931=100)

MOODY'S

Nov. 15	Nov. 14	M'th ago	Yearago
1012.9	1009.8	1043.7	976.4

(Base: December 31 1974=100)

DOW JONES

Dow Jones	Nov. 15	Nov. 14	Month ago	Year ago
Spot	—	—	140.17	128.12
Fut's	143.06	—	146.41	135.60

(December 31 1931=100)

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Satsumas—Spania: 3.00-3.80. Oranges—Spania: 42/48/54/60 6.50-7.00, 70/80/90 7.00-7.20, 100/110/120 6.80-700; Outspan: Valencia Letes 56 7.70, 72 7.70, 88 7.60, 112 6.80, 138 6.30, 150 5.30; Brazilian: Valencia Letes 5.00-5.50; Uruguayan: 5.00-5.20. Lemons — Italian: Carton 6.00-6.50; Cyprus: 10-kg boxes 4.00-5.00; Greek: 10-kg 4.00-4.50, 15-kg 6.50-7.50; Spania: 5-kg 2.50-2.80; Jaffa: 15-kg 4.50-6.25. Grapefruit—Cuban: 3.80-4.00; Pink 6.00-6.50; Jaffa: 36 5.50, 40 5.30, 48 4.90, 56 4.60, 64 4.40, Sunrise 23/32 7.10-7.50; U.S. Ruby 9.00-10.80; Cyprus: 40/48 4.60-4.80, 56/64 4.20-4.60. Apples—French: Golden Delicious carton 6.50-7.20, Granny Smith carton 8.00-8.50, Starkcrimson, carton 6.00-6.50; Italian: 21-kg Golden Delicious 5.50-6.00, Starking 6.50; Hungarian: Red Delicious 19-kg approx 7.00-7.20; U.S.: Red Delicious new season carton 12.00-13.00. Pears—Italian: Williams 0.23-0.26. Grapes—Italian: Per pound, Italia 0.32-0.38; Spanish: Italia 0.32-*0.38, Almeria 0.20-0.22, Napoleon 0.25-*0.27. Melons—Spanish: 10-kg Green 3.00-5.00, 15-kg Green 8.50; Israeli: Galia 5.00-5.50, Ogen 4.00-4.50. Bananas — Colombian: 40-lb boxes 10.30-10.50. Avocados—Canary: 3.20-3.50; Israeli: 3.20-3.50. Pineapples—Each: Ivory Coast: D 0.45, C 0.70-0.75, B 0.90-1.00, A 1.50-1.60; Cape: 9's 0.35-0.40, 8's 0.40-0.45, 7's 0.50-0.55, 6's 0.70-0.75, 5's 0.80-0.85, 4's 1.00-1.10; Ghana: Each 1.40-1.60. Paw Paws—Brazilian: 6.00-6.50. Mangoes—Kenyan: 8.00-8.50. Fennel — Italian: 9-kg 4.00-4.50. Figs—Smyrna: 48's x 8 oz 9.20-9.60. Kiwifruit—New Zealand: 6.00-6.20. *Tomatoes — Spanish: Tray* 3.70-3.90; Canary: Tray 3.80-4.00; Dutch: Tray 3.90-4.00, Beefsteak 5.40-6.0. Aubergines—Kenyan: 4.50; Canary: 3.00-3.50; Israeli: 5.50-6.00; Cyprus 3.20-3.50.

Onions—Spanish: 25-kg nets Zaragoza 5.20-5.40; Dutch: 45/60 mm 4.00-4.20, 60/80 mm 4.50-4.80; Hungarian: 4.30; Polish: 4.60-4.80. Capsicums—Dutch: Yellow 4.80-5.00, Green 3.60-3.80, Red 3.50-4.00; Israeli: Green 3.50-3.60, Yellow 4.00, Red 4.00; Spanish: Green 2.50-3.00, Red 3.00-3.20, Yellow 3.00-3.20. Cabbages—Dutch: Red 5.60, White 5.80-6.00. Sugar Peas—Kenyan: Per pound, 1.40-1.60. Persimmons—Italian, tray, 3.00-3.20.

Globe Artichokes—French: 24's 9.50-10.00. Lettuce—Dutch: Trays 24's 3.50-3.80. Cucumbers—Tray, Canary: 2.40-3.00; Spanish: 2.40-2.70. Courgettes—French: Per pound, 0.40-0.45; Spanish: 0.30. Chestnuts—Italian: 22-lb 60/65 mm 5.00, 60/65 mm 7.50; Spanish: 11-lb 3.00-3.50.

AMERICAN MARKETS

NEW WORK, November 16.

Precious metals came under heavy liquidation and losses after a Wall Street analyst predicted higher interest rates next year. The entire soyabean complex and maize were limit-down while wheat was under severe pressure. A short-covering rally and profit-taking took grains off their lows but did not affect the soya complex. Copper prices came under heavy pressure as the negative performance in currencies stimulated heavy arbitrage selling. Heating oil opened firm on the opening on fears of tight initial supplies in London; trade selling on bearish fundamentals late in the day contributed to the moderate decline on the close. Sugar prices traded virtually unchanged until the market drifted fractionally lower in sympathy with other markets. Cotton prices closed lower under light pressure from long liquidation. Trade support helped cotton finish above the day's lows. Origin sales, commission house liquidation and arbitrage selling pressured values in Cocoa. Coffee prices were sharply lower after the market failed to react to the decline in certified stocks, reports Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	2136	2163	2110	2154
March	2152	2194	2141	2188
May	2165	2207	2157	2202
July	2185	2210	2176	2212
Sept	2218	2218	2205	2223
Dec	2240	2240	2240	2225

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	147.87	48.50	47.30	148.35
March	143.07	43.95	43.00	143.71
May	139.00	39.55	38.55	139.00
July	136.19	36.75	36.01	136.40
Sept	133.63	34.00	33.75	133.90
Dec	130.83	—	—	131.05
March	130.83	—	—	129.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Nov	61.85	—	—	62.65
Dec	62.10	63.45	61.80	62.90
Jan	62.75	63.95	62.60	63.55
March	64.05	65.45	63.60	64.85
May	65.35	66.70	65.25	66.15
July	66.65	68.10	66.35	67.45
Sept	68.05	69.50	68.40	68.80
Dec	70.15	71.45	70.00	70.90
Jan	70.85	—	—	71.60
March	72.15	73.40	72.05	72.90

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Dec	79.05	79.45	78.55	79.45
March	80.94	81.30	80.55	81.25
May	82.01	82.40	81.70	82.45
July	82.35	82.80	82.00	82.77
Oct	76.50	76.50	76.50	76.65
Dec	74.95	75.05	74.80	75.15
March	76.05	—	—	76.43
May	76.50	—	—	77.30

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	375.2	382.7	382.7	382.9
Dec	376.3	385.2	375.0	384.2
Feb	382.3	391.4	380.5	390.5
April	388.7	398.0	387.4	397.0
June	395.2	404.5	393.0	403.6
August	401.8	411.5	404.5	410.3
Oct	408.6	418.5	416.8	417.4
Dec	415.7	426.0	415.0	424.7
Feb	382.3	391.4	380.5	390.5
April	420.2	440.0	440.0	439.6
June	437.9	—	—	445.7
August	446.0	457.5	460.0	455.8
Jan	379.3	—	—	387.3

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Dec	81.80	82.70	81.50	81.83
Jan	80.80	81.80	80.55	81.16
Feb	79.40	80.80	79.40	80.19
March	77.10	78.60	77.01	77.87
April	75.20	76.40	76.20	76.15
May	74.60	75.75	75.35	75.30
June	76.00	76.40	75.25	75.25

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Nov	136.20	39.00	33.00	136.50
Jan	124.30	25.10	23.70	124.40
March	122.80	23.40	22.10	122.85
May	121.60	22.25	21.10	121.70
July	120.60	—	—	120.80
Sept	120.10	21.00	21.00	120.20
Nov	119.60	19.60	19.60	119.70
Jan	115.75	—	—	115.75
March	15.75	—	—	115.75

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	379.9	394.0	394.0	392.0
Dec	381.9	399.0	388.0	391.7
Jan	383.9	393.2	380.0	393.7
April	389.9	405.5	385.1	399.9
July	395.9	411.0	404.1	408.2
Oct	402.4	410.0	410.0	412.7
Jan	409.4	421.0	421.0	419.5
April	427.0	—	—	427.0

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Nov	854.0	875.0	853.0	907.0
Dec	860.0	915.0	860.0	910.0
Jan	867.7	916.0	916.0	917.7
March	883.0	936.0	883.0	933.0
May	899.4	954.5	899.4	949.4
July	915.6	970.0	915.6	965.8
Sept	932.3	991.0	932.3	982.3
Dec	957.8	1012.0	960.0	1007.8
Jan	966.4	—	—	1016.4
March	983.6	1040.0	—	1033.6

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	8.75	8.75	8.70	8.83
March	9.20	9.34	9.12	9.22
May	9.54	9.66	9.42	9.54
July	9.89	9.98	9.75	9.85
Sept	10.11	10.17	10.03	10.07
Oct	10.32	10.39	10.19	10.29
Jan	10.51	10.45	10.46	10.48
March	11.31	11.23	11.19	11.23

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	61.45	61.72	61.25	61.77
Feb	61.07	61.62	60.95	61.25
April	63.35	63.52	62.90	63.17
June	64.87	65.00	64.52	64.70
August	63.82	63.90	63.52	63.62
Oct	62.10	62.20	61.80	61.92

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	42.02	42.15	41.55	41.92
Feb	46.15	46.20	45.55	46.22
April	45.60	45.77	45.10	45.80
June	50.97	51.15	50.65	51.30
July	52.70	52.72	52.20	53.00
August	52.30	52.50	52.30	52.77
Oct	51.47	51.85	51.30	52.10
Dec	52.82	52.95	52.82	53.20
Feb	52.50	52.80	52.50	52.45

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Dec	351.2	356.4	348.2	358.2
March	360.2	365.6	347.2	367.0
May	349.2	356.6	346.2	356.4
July	344.4	360.4	341.4	351.8
Sept	312.4	319.0	310.4	320.6
Dec	292.0	295.2	287.6	296.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	59.57	59.70	58.75	59.85
March	59.72	60.10	59.12	60.17
May	61.65	61.90	61.00	62.02
July	62.42	62.90	62.05	63.12
August	61.20	61.80	61.12	61.52

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Nov	789.0	813.0	789.0	819.0
Jan	802.4	829.4	802.4	832.4
March	819.4	846.0	818.4	848.4
May	826.0	851.0	826.0	856.0
July	822.4	848.0	822.4	852.4
Aug	801.4	825.0	801.4	831.4
Sept	832.0	[illegible]	779.0	749.6
Nov	672.0	681.0	663.0	680.0
Jan	684.0	690.4	682.0	692.0

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	26.13	17.10	26.13	27.05
Jan	26.32	27.30	26.32	27.30
March	26.75	27.65	26.70	27.60
May	27.00	27.90	26.86	27.80
July	27.40	28.05	27.18	28.10
Aug	26.95	27.55	26.90	27.75
Sept	25.55	26.35	25.60	26.25
Oct	25.00	25.00	24.90	25.25
Dec	24.50	25.00	24.30	25.10
Jan	24.80	—	—	—

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	228.5	236.3	227.3	237.5
Jan	230.5	237.5	228.8	238.5
March	233.5	240.0	230.4	240.4
May	231.5	237.5	228.5	236.5
July	232.0	235.0	227.5	237.0
Aug	223.0	228.0	219.0	227.0
Sept	212.0	213.0	207.0	215.0
Oct	189.0	189.0	187.0	199.0
Dec	187.0	191.0	185.0	189.0
Jan	187.0	189.0	187.0	187.0

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Dec	340.4	346.0	334.0	347.0
March	356.0	360.4	350.2	361.6
May	357.2	362.4	351.6	363.0
July	344.0	348.0	338.0	348.2
Sept	351.2	353.2	345.4	354.0
Dec	362.0	366.4	357.4	365.4

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar shows late surge

The dollar showed a late rise on the foreign exchanges following news of a rise in U.S. factory use of 0.5 per cent to 78.6 per cent in October. This was not quite as strong as expected, but underlined the recent growth in economic performance. Middle East tension, particularly in the Lebanon, and expectations that M1 money supply will return to an upward path also lent support to the currency.

Sterling remained on the sidelines, drifting down against the dollar and Continental currencies.

DOLLAR — Trade-weighted index (Bank of England) 127.8 against 122.3 six months ago. The dollar has been appreciating steadily in recent weeks and is once again threatening the record levels touched in August. Growing tension around the world is supporting the currency but an equal factor is speculation that an expected surge in money supply will combine with inflationary pressures from strong economic recovery to prevent an easing in Federal Reserve monetary policy.

The dollar rose to DM 2.6870 from DM 2.6765 against the D-mark; FFr 8.17 from FFr 8.1420 against the French franc; SwFr 2.1660 from SwFr 2.1610 in terms of the Swiss franc; and Y235.35 from Y234.35 against the Japanese yen.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. October average 1.4977. Trade-weighted index 84.0 against 84.0 at noon, 83.9 at the opening, and the previous close, and 83.8 six months ago. The pound has drifted slightly against the dollar, but has improved with the latter against Continental currencies. This trend has been encouraged by unsettled conditions in the Middle East and the threat to Western oil supplies, plus fading hopes of cuts in clearing bank base rates.

Sterling fell to DM 3.9725 from DM 3.9775; FFr 12.0775 from FFr 12.09; and SwFr 3.21 from SwFr 3.2125, but improved to Y349 *from 348.25.*

The pound opened at $1.4840-$1.4850, and traded within a range of $1.4830-1.4880, before closing at $1.4835-1.4845, a fall of 15 points on the day.

BELGIAN FRANC—Trading *range against the dollar in 1983* is 54.49 to 45.90. October average 53.03. Trade weighted index 90.2 against 93.7 six months ago. The Belgian franc has slipped against its EMS partners after the dollar's decline from its August peaks. More recently however, renewed dollar strength is helping to restrain any firmer trend by the D-mark and while the Belgian unit remains weak, it is steady *at these lower levels.*

The Belgian franc continued to show a steadier trend yesterday. Figures released by the Belgian central bank showed that intervention in currency markets up to the week ending November 14 amounted to an equivalent BFr 8.9bn compared with BFr 5.4bn the previous week. Much of this was used to keep the Belgian franc within *its cross-rate bands against the* French franc and also the Danish krone and Irish punt.

While the Belgian unit remains comfortably placed against the traditionally stronger members of the system, notably the D-mark and Dutch guilder, there seems little likelihood of any pressure building up for a realignment within the EMS.

DUTCH GUILDER—Trading range against the dollar in 1983 *is 3.0540 to 2.5755. October* average 2.9200. Trade weighted index 115.5 against 117.9 six months ago. The guilder has weakened against the dollar in line with other European currencies. It is comfortably placed with the EMS however, underpinned by the presence of North Sea gas, a low inflation rate and a current account surplus.

The guilder showed mixed changes at yesterday's fixing in *Amsterdam. The dollar was* lower at Fl 2.9940 from Fl 2.9970 while sterling improved to Fl 4.4510 from Fl 4.4470. The D-mark was firmer at Fl 1.1197½ from Fl 1.1197, having recovered from an earlier level of Fl 1.1195. Initial trading has favoured the guilder as the D-mark *remained depressed on* banking and political worries.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU November 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.9928	+2.43	+1.72	±1.5447
Danish Krone	8.14104	8.15449	+0.17	−0.54	±1.6425
German D-Mark	2.24184	2.26395	+0.99	+0.28	±1.0642
French Franc	6.87456	6.89067	+0.23	−0.48	±1.4052
Dutch Guilder	2.52596	2.53475	+0.35	−0.36	±1.4964
Irish Punt	0.72569	0.727161	+0.20	−0.51	±1.6699
Italian Lira	1403.49	1370.30	−2.36	−2.36	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Nov. 16	£	$		£ Note Rates
Argentina Peso	25.93-26.02	17.44-17.48	Austria	27.85-28.15
Australia Dollar	1.6100-1.6120	1.0855-1.0870	Belgium	80.90-81.70
Brazil Cruzeiro	1,286.2-1,293.1	866-869	Denmark	14.25-14.39
Finland Markka	8.4920-8.6130	5.7310-5.7360	France	12.05-12.15
Greek Drachma	142.25-142.85	96.00-96.30	Germany	3.95¼-3.99½
Hong Kong Dollar	11.605-11.610	7.8100-7.8130	Italy	2385-2415
Iran Rial	129.65*	87.15*	Japan	347-352

* Selling rate.

CURRENCY MOVEMENTS

CURRENCY RATES

Nov. 16	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.708827	0.569761
U.S. $	8½	1.05560	0.846779
Canadian $	9.53	*	1.04670
Austria Sch	3¾	19.8256	15.9535
Belgian F	9	57.2157	45.9928
Danish Kr	7	10.1462	8.15449
D mark	4	N.A	2.26395
Guilder	5	3.15468	2.53475
French F	9½	8.57814	6.89067

* CS/SDR rate for Nov 15: 1.30195.

THE POUND SPOT AND FORWARD

Belgian rate is for convertible francs. Financial franc 81.35-81.45. Six-month forward dollar 0.50-0.55c dis. 12-month 1.05-1.20c dis.

THE DOLLAR SPOT AND FORWARD

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 54.80-54.90.

EXCHANGE CROSS RATES

Nov. 16	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Canadian Dollar	0.545	0.809	2.166	190.2	6.584	1.750	2.424	1309.	1.	43.94
Belgian Franc 100	1.241	1.841	4.929	433.0	14.98	3.983	5.518	2980.	2.276	100.

MONEY MARKETS

London rates steady to firm

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

London interest rates had a slightly firmer tone yesterday, with three-month interbank quoted at 9¼-9⅜ per cent compared with 9¼-9 5/16 per cent, while three-month bank bills were bid unchanged at 8⅞ per cent. Other bill rates were also steady in very quiet trading.

The Bank of England at first forecast a money market shortage of £50m, but this was revised at noon to £200m. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills drained £171m, with a rise in the note circulation absorbing another £75m. These were partly offset by Exchequer transactions adding £180m to liquidity.

Total help provided by the authorities was £176m. *Before* lunch the Bank of England bought £75m bills by way of £1m Treasury bills in band 2 (15-33 days) at 9 per cent; £23m bank bills in band 2 at 9 per cent; £1m Treasury billsi n band 3 (34-63 days) at 8 15/16 per cent; £2m bank bills in band 3 at 8 15/16 per cent; £1m Treasury bills in band 4 (64-91 days) at 8⅞ per cent; £35m local authority bills in band 4 at 8⅞ per cent; and £12m bank bills in band 4 at 8⅞ per cent.

In the afternoon another £86m bills were bought through £3m local authority bills and £4m bank bills in band 1 (up to 14 days maturity) at 9 1/16 per cent; £48m bank bills in band 2 at 9 per cent; £1m bank bills in band 3 at 8 15/16 per cent; and £5m local authority bills and £25m bank bills in band 4 at 8⅞ per cent.

Further late assistance of £15m was also provided.

In Amsterdam the Dutch National Bank allocated Fl 3.553bn to the money market in the form of a special advance from today until November 30, at an interest rate of 5.75 per cent. *Bids at yesterday's tender* were met in full for the first Fl 500m, and at 50 per cent for the balance. The advance replaces a total of Fl 5.09bn in maturing advances.

The National Bank also told the banks that the quota facility for the three-month period beginning today will total Fl 6.2bn. This consists of a primary facility of Fl 4.7bn, and a supplementary facility of Fl 1.2bn. An *additional Fl 300m has* been designated for smaller banks. The funds will be provided at 5.5 per cent. The quota expiring yesterday was Fl 5.3bn, made up of a primary facility of Fl 4bn, a supplementary amount of Fl 1bn, and another Fl 300m for smaller banks.

LONDON MONEY RATES

Nov. 16 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	9-9⅛	9	—	—	9⅛-9¼	9 9¼	—	—	—
2 days notice	—	—	9	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	9 1/16 9¼	9	—	—	9⅛	9-9⅛	—	—	—
One month	9 1/16-9 3/16	9 3/16 9¼	9 3/16	9⅜-9⅜	9 3/16	9⅜	9	9 1/32	9 1/32	9 11/32
Two months	9¼ 9 5/16	9 3/16-9 5/16	9 3/16	9⅜ 9⅝	9¼	9½	9	8 31/32-8 15/16	8 31/32	9 5/16
Three months	9¼-9 5/16	9¼ 9⅜	9¼	9⅜ 9⅝	9¼	9½	9	8 15/16-8⅞	8⅞	9½
Six months	9¼ 9 5/16	9 5/16 9 7/16	9 5/16	9⅜-9⅝	9⅜	—	—	—	8 27/32-8 25/32	9 11/32
Nine months	9 5/16 9 7/16	9½ 9⅝	9 7/16	9⅝-9⅝	9½	—	—	—	—	—
One year	9 7/16 9 9/16	9⅝ 9¾	9½	9⅝-9⅞	9⅝	—	—	—	—	—
Two years	—	—	10⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average rate for interest period October 5 to November 1 1983 (inclusive) 9.393 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅛ per cent; four years 10¼ per cent; five years 10⅜ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four months' bank bills 8 27/32 per cent; four months' trade bills 9 13/32 per cent.

Approximate selling rate for one-month Treasury bills 9 per cent; two months 8⅞-8 29/32 per cent and three months 8 27/32 per cent; one month bank bills 9 per cent; two months 8 29/32 per cent and three months 8 27/32 per cent; one month trade bills 9 11/32 per cent; two months 9 11/32 per cent and three months 9⅜ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent from November 1 1983. London and Scottish Clearing Bank Rates for lending: 9 per cent. London Deposit Rates for sums at seven days' notice: 5½ per cent.

Treasury Bills: Average tender rates of discount 8.8322 per cent. Certificates of Tax Deposit (Series 6). Deposits *of £100,000 and over held under one month 9½ per cent; one-three months 9½ per cent; three-six months 9¾ per cent;* six-12 months 10 per cent. Under £100,000 9¼ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	9 7/16
Treasury bills (13-week)	8.77

NETHERLANDS

Discount rate	5
Overnight rate	5¼-5½
One month	5⅞-6

GERMANY

FRANCE

JAPAN

SWITZERLAND

$ CERTIFICATES OF DEPOSIT

LONG TERM EURO $

SDR LINKED DEPOSITS

ECU LINKED DEPOSITS

FT LONDON INTERBANK FIXING

11.00 a.m. NOVEMBER 16

3 month U.S. dollars		6 month U.S. dollars	
bid 9 13/16	offer 9 15/16	bid 9 15/16	offer 10 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Eurodollars firm

Eurodollar prices improved in the London International Financial Futures Exchange yesterday. Early quotations failed to reflect a slightly firmer cash market and U.S. participation later in the day saw prices bid up to the day's high. The December contract opened at 90.23, unchanged from Tuesday and rose in the afternoon to close at the day's high of 90.28.

Despite the firmer trend, there *appeared to be little clear direction* in the market. There was some confusion caused by statements from a U.S. official indicating a desire to see U.S. M1 back on target. After Monday's figures it was slightly below the target range. The initial implication of such a comment would be to see interest rates fall in order to expand money supply but there are already indications that this week's M1 number will bring it back up to within the Fed's range.

Gilt prices finished on a firmer note, helped by a stronger cash market and news that the Treasury's latest tap issue had been undersubscribed. A further rise in UK average earnings may have had a slightly dampening effect but the market gained underlying strength from a continuation of Tuesday's firmer trend in the U.S. bond market. The December price opened at 110-17 and dipped to a low of 110-11 before recovering to finish at 110-19 up from Tuesday's close of 110-11.

Short sterling prices suffered from an almost total absence of movement in the cash market.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Dec	90.28	90.28	90.21	90.23
March	89.89	89.90	89.80	89.84
June	89.58	89.57	89.47	89.51
Sept	89.27	89.27	89.26	89.23
Dec	88.98	—	—	88.91

Volume 1,681 (2,772)
Previous day's open int. 8,298 (8,421)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

STERLING £25,000 $ per £

DEUTSCHE MARKS
DM 125,000 $ per DM

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4719	—	—	0.4714
June	0.4784	—	—	0.4779

Volume 1 (6)
Previous day's open int. 129 (129)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4278	0.4277	0.4274	0.4277
March	0.4311	—	—	0.4311
June	0.4346	—	—	0.4346

Volume 20 (11)
Previous day's open int. 170 (160)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	71-03	71-14	70-31	71-01
March	70-17	70-28	70-13	70-15
June	70-00	70-10	69-28	69-31
Sept	69-17	69-28	69-16	69-17
Dec	69-06	69-14	69-04	69-04
March	—	69-02	68-25	68-25
June	—	68-25	68-16	68-16
Sept	—	68-17	68-08	68-08
Dec	—	—	—	—

U.S. TREASURY BILLS (IMM)
$1m points of 100%

CERT. DEPOSIT (IMM)
$1m points of 100%

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

STERLING (IMM) Se per £

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	69-00	69-07	68-27	68-28
March	68-00	68-07	67-27	67-28
June	67-03	67-08	67-00	66-31
Sept	66-16	66-15	66-08	66-07
Dec	65-20	65-28	65-20	65-19
March	—	64.21	64.21	64.20
June	—	—	—	64.09
Sept	—	—	—	—
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

INTERNATIONAL CAPITAL MARKETS

Citicorp to raise $100m in Asia

By Mary Ann Sieghart in London

CITICORP, the U.S. bank, is raising $100m in the Asian dollar market, where Eurodollar bonds are sold to investors in the Far East. The five-year bond, led by Daiwa, has an 11½ per cent coupon at par and will be officially launched in a few days.

Elsewhere in the dollar sector, rumours abounded of impending convertible issues from Jananese companies. Trading even took place in shadow bonds from Mitsubishi Heavy Industries and Ono Pharmaceutical. However, the prospective lead managers – Morgan Stanley and Nomura for Mitsubishi and Nikko Securities for Ono – denied that any issue had been launched.

The dollar secondary market had a firm undertone yesterday, cheered by a better performance from the New York market, although prices rose only by ⅛–¼ point in slow trading.

In Switzerland, Sweden is raising SwFr 100m ($46.3m) through a 10-year public issue led by Handelsbank. The indicated yield is 6 per cent.

Toshiba's SwFr 200m worth of public and private convertible issues have been given an extremely low coupon of 2¼ per cent – lower even than the indication of 2⅜ per cent. This is the first time since 1979 that a Swiss franc foreign bond has broken the 3 per cent barrier.

Spain's Samurai bond was launched as expected yesterday with a 7.9 per cent coupon at a price of 99.30. Daiwa securities is leading the 10-year-bond.

German markets were closed yesterday for a public holiday, and prices in Switzerland closed unchanged to slightly better in low turnover.

The European Economic Community will be launching an Ecu75m, 10-year bond on Friday through lead-managers Banque Bruxelles Lambert, Banque Nationale de Paris and Sparkassen SDS. The deal is thought to be planned in two tranches – one with an 11 per cent coupon at par and the other with a 5–6 per cent coupon, but a redemption value of up to 200.

Hilary Barnes in Copenhagen adds: The Ecu bond will establish a triple first: the first time a Danish bank has participated as lead manager for an EEC issue, the first time that an Ecu bond will be quoted on a bourse other than Luxembourg, and the first time that a foreign bond has been officially quoted on the Copenhagen bourse (although some Russian railway bonds were listed unofficially before the First World War).

Mr Laurids Ringgaard, chief executive of SDS, said the decision to list the bonds in Copenhagen was intended as part of a push to give Ecus a wider appeal. Copenhagen is a natural choice from an investor point of view, since very high marginal income tax rates will make the tranche, with a low coupon and a capital gain to maturity, an interesting investment for ordinary Danes, who are not taxed on the capital gains.

Indonesia seeks Y25bn loans

By Chris Sherwell in Singapore

THE Indonesian Government has asked two Japanese banks to arrange long-term loans worth Y25bn as part of its foreign borrowing programme.

The loans, which are likely to be settled by early next month, will still leave Indonesia wanting to borrow between U.S.$600m and U.S.$700m between now and the end of the current fiscal year in March.

The latest borrowings are in two parts:

- Y12.5bn on a floating rate basis to be arranged by Mitsubishi Bank;
- Y12.5bn on a fixed-rate basis arranged by Industrial Bank of Japan.

Indonesia has already taken out a Y24bn syndicated loan this year, and has raised Fl 100m through a Dutch bond issue and $1bn through a syndicated loan. Total borrowings needed for this fiscal year are put at $2.5bn.

Several foreign banks are believed to be vying to arrange Jakarta's next U.S. dollar loan, which will probably be launched early in the New Year. The amount is expected to be $200m to $400m but it is expected that borrowings costs will be higher than in the past, even though the Government bravely embarked on an austerity programme earlier this year with the decline in world oil prices.

Procter & Gamble credit note

BANKERS TRUST has arranged a $43.75m commercial paper facility with a back-up standby letter of credit for Procter & Gamble de Mexico aimed at stretching out the maturity of the Mexican subsidiary's debts to U.S. banks.

The Mexican Government has set up a scheme, the Fi corca, whereby the Government guarantees foreign exchange for private sector companies provided they agree with their creditor banks to reschedule their debts.

To reschedule their debts, however, the borrowers are being forced to pay the banks concerned fees which are far higher than on the original loans. The use of a commercial paper facility is seen as a way of reducing the costs of extending the loan maturities.

Bankers Trust says that it has obtained approval from the Mexican Government for commercial paper to be included within the Ficorca scheme. As a result it expects several U.S. and European multinationals will use this route for extending the maturities of their outstanding loans, and so gain access to foreign currency from the Mexican Government.

FT INTERNATIONAL BOND SERVICE – PRICE MOVEMENTS

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for November 15.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 10¼ 90	100	93⅝	94⅛	+0⅛	+0⅛	11.63
Australia Comm 11⅛ 90	100	100⅝	101⅛	0	+0⅜	11.65
Australia Comm 11½ 95	300	96⅝	97⅛	0	+0⅞	11.96
Australia Comm 11⅝ 88	100	97⅛	97⅝	+0⅛	+0⅝	11.99
Bank of Tokyo 11 90	100	95¼	95¾	+0⅛	+0½	12.02
British Col Hyd 10¼ 88	200	96⅞	97⅜	0	+0½	11.08
Britoil Fin 11⅞ 90	125	100	100½	0	+0⅞	11.81
Canada 10⅞ 88	500	98⅜	98⅞	−0⅛	+0½	11.24
C.C.C.E. 11¼ 97	100	93¼	93¾	+0⅛	+0⅞	12.78
C.C.C.E. 12⅝ 95	75	98⅞	99⅜	0	+0¾	12.75
Can Imp Bk Com 11 90	75	92⅝	93⅛	0	−0⅛	12.51
Citicorp O/S 10½ 90	100	92¼	92¾	0	+0⅛	12.07
Citicorp O/S 11¾ 90	100	97¾	98¼	+0⅛	+0⅝	12.18
Cred Suisse BAH 10½ 90	150	98¾	99¼	+0½	+0⅝	10.70
Den Norsk Cred 11¼ 93	50	93¼	93¾	−0⅛	+0½	12.42
E.C.S.C. 11⅞ 90	75	99⅜	99⅞	0	+0⅝	11.93
E.D.F. 11⅛ 93	100	92⅝	93⅛	0	+0⅛	12.42
E.E.C. 11 87	350	98½	99	0	+0¼	11.39
E.I.B. 10¾ 93	200	92	92½	+0⅛	+0⅞	12.14
E.I.B. 11 91	125	95¼	95¾	0	+0⅝	11.93
Exportfinans 11½ 90	100	96⅝	97⅛	+0⅛	+0⅛	12.19
Electrolux 10½ 90	50	92¼	92¾	0	+1	12.19
Ensearch Fin 11⅝ 93	100	96	96½	0	+0⅝	12.29
Fuji Int Fin 10⅞ 90	100	93½	94	+0⅛	+0⅝	12.28
GMAC O/S Fin 11⅛ 90	100	99	99½	−0¼	+0⅝	11.52
Honeywell Int 10⅝ 90	100	97⅛	97⅝	−0⅛	+0⅛	11.32
Indust Bk Japan 10⅞ 88	100	97⅛	97⅝	+0⅛	+0½	11.62
Indust Bk Japan 11⅞ 91	100	99	99½	0	0	12.02
Japan Air Lines 10⅞ 98	42	92⅜	92⅞	0	0	11.95
Japan Air Lines 11 93	75	95⅛	95⅝	0	+0⅛	11.88
J.C. Penney 11⅞ 90	100	100⅜	100⅞	−0⅛	0	11.73
J. P. Morgan 11⅜ 90 WW	150	97⅜	97⅞	0	+0⅝	11.88
Levi Strauss Int 11 90	75	96¾	97¼	+0⅛	+0½	11.64
L.T.C.B. 10¾ 90	100	93¼	93¾	0	+0⅝	12.21
L.T.C.B. 12½ 90	85	101¾	102¼	0	+0⅛	12.04
Merrill Lynch 10⅝ 90	200	94	94½	0	+0⅛	11.92
Mitsubishi Corp 10½ 90	100	93⅞	94⅜	0	+0¼	11.82
Mitsubishi Fin 11⅜ 90	100	96¼	96¾	+0⅛	+0¼	12.14
Nippon Credit 11 90	100	94¼	94¾	0	+0⅝	12.24
Nippon Credit 11⅞ 90	100	97⅝	98⅛	−0⅛	−0¼	12.35
O.K.B. 10 91	100	89¾	90¼	0	+0⅝	12.09
Ontario Hydro 10¼ 90	250	93¼	93¾	−0⅛	−0¼	11.70
Ontario Hydro 11¾ 90	200	100⅛	100⅝	+0⅛	+0½	11.65
Pacific Gas & Elec 12 91	75	102⅞	103⅜	+0⅛	+1	11.37
Prudential O/S 10⅝ 93	100	95⅜	95⅞	0	+0⅛	11.38
Quebec Hydro 11½ 92	100†	97⅛	97⅝	+0¼	+0½	11.99
Saskatchewan Pr 10¾ 90	125	95⅞	96⅜	+0¼	+0⅞	11.62
Sears O/S Fin 11⅝ 93	150	98	98½	0	+0½	11.93
S.N.C.F. 11½ 93	100	97⅜	97⅞	+0⅜	+0½	11.91
Sth Cal Edison 10½ 90	75	96⅛	96⅝	−0⅛	0	11.29
Sumitomo Fin 10⅞ 90	100	93½	94	0	+0¼	12.28
Texaco Capital 9¾ 90	150	92⅜	92⅞	0	+0¼	11.43
Texaco Cap 10½ 90 WW	200	95¼	95¾	0	0	11.47
U.B.S. 10 88	100	98½	99	−0½	+0⅞	10.33
World Bank 11⅛ 88	100	99	99½	0	+0½	11.43
World Bank 11¼ 90	200	96¾	97¼	0	+0⅝	11.90
World Bank 11½ 90	150	98⅜	98⅞	0	+0⅝	11.78
World Bank 12 93	200	99⅞	100⅜	0	+0½	11.96

Av. price changes: on day 0, on week +⅝

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7⅜ 93	100*	100½	101	0	0	7.25
Arab Banking Corp 8 88	100*	97	97½	0	+0¼	8.71
Asian Dev Bk 8½ 93	200*	99⅞	100⅜	−0¼	−0¼	8.50
Austria, Rep 7⅝ 89	100*	100¾	101¼	+0⅛	+0½	7.39
Austria, Rep 8 93	100*	100⅞	101⅜	0	0	7.82
Avon Int Fin 7½ 93	100*	101⅜	101⅞	+0⅛	+0½	7.26
Beatrice Foods 7¾ 93	130*	104⅜	104⅞	+0¼	+0⅝	7.08
B.F.C.E. 8¼ 90	150*	100⅝	101⅛	+0⅛	−0⅛	8.06
Dresdner Finance 4 90 WW	250*	108⅝	109⅝	+0⅛	+0⅝	2.49
Dresdner Finance 4 90 XW	250*	83⅞	84⅝	0	0	7.05
E.C.S.C. 8 90	100*	100⅞	101⅜	0	+0¼	7.77
E.E.C. 8¼ 93	250*	101⅝	102⅛	0	+0½	7.95
E.I.B. 8 93	200*	99¼	99¾	−0¼	−0¼	8.07
Eurofima 7½ 90	100*	101½	102	+0⅜	−0⅛	7.15
Finland Rep 7½ 88	150*	99½	100	0	+0⅛	7.55
Finland Rep 8 90	150*	98⅝	99⅛	−0⅛	−0¼	8.19
Int Standard Ele 7¾ 93	100*	103½	104	+0⅜	+0⅝	7.19
Ireland 8⅝ 91	150*	100⅝	100⅞	−0⅛	−0¼	8.48
Japan Dev Bank 7½ 90	100*	100⅞	101⅜	−0⅛	−0¼	7.27
Kobe City 7 93	120*	97	97½	0	−0⅛	7.48
L.T.C.B. 8 90	100*	101⅝	102⅛	0	−0⅞	7.62
Renault Acceptance 8 90	150*	98⅛	98⅝	−0⅛	0	8.32
S.D.R. France 7⅞ 93	100*	97⅜	97⅞	+0⅛	+0⅛	8.23
Sth African Tran 8¼ 90	100*	98⅞	99⅜	+0¼	−0⅛	8.41
World Bank 7½ 90	250*	98	98½	−0⅛	+0⅛	7.84
World Bank 7⅞ 89	300*	100	100½	−0¼	−0⅝	7.81

Av. price changes: on day 0, on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bank of Tokyo 6 91	100	102½	102¾	0	+0⅛	5.67
Bergen, City of 5¾ 95	40	100	100¼	+0¼	+0½	5.73
Denmark 5⅞ 91	100	101¼	101½	+0¼	+0¼	6.14
E.O.C. 5⅜ 91	100	100¼	100½	0	+0⅝	5.31
E.E.C. 6 93	100	101	101¼	−0⅛	−0⅛	5.85
Europarat 6⅛ 93	100	99	99¼	+0½	+0⅝	6.24
Ind Fund Finland 6¼ 91	40	102	102¼	0	+0¾	5.88
Int-Am Dev Bk 6 93	100	97¾	98	+0¼	+0⅝	6.29
Ireland 6½ 93	80	98⅞	99⅛	−0⅛	−0⅛	6.64
Japan Dev Bank 5⅞ 93	100	101½	101¾	+0⅛	0	5.85
Jap Highway Pub 5⅝ 91	100	99	99¼	+0⅜	+0¼	5.76
Kansai Elec Power 6 91	100	102	102¼	−0¼	0	5.64
Kawasaki Steel 6⅛ 91	100	101	101¼	0	+0⅝	5.93
Manitoba Prov 5½ 93	100	100¾	101	+0¼	+0½	5.38
Mont Blanc Tunl 6⅜ 93	35	101½	101¾	+0½	+0⅝	6.15
Mount Isa Finance 6 93	100	102	102¼	−0¾	−0¼	5.70
MTG Bk Denmark 6¼ 91	80	97¾	98	+0¼	+0⅝	6.60
New Brunswick 5¾ 93	100	102	102¼	+0⅜	+0⅝	5.46
Nisshin Steel 6¼ 91	100	100	100¼	0	+0¼	6.22
Osterr Draukraft 6 93	100	102½	102¾	−0½	0	5.63
Osterr Post 6⅛ 91	100	103	103¼	+0½	+0½	5.60
Quebec Province 5⅝ 93	100	99	99¼	0	0	5.74
Sumitomo Heavy Ind 6 91	100	100	100¼	+0⅛	+0¼	5.98
Tokyo Elec Power 5⅞ 91	100	101⅝	102	+0¼	+0⅛	5.57
Trizec Corp 6⅛ 93	100	99	99¼	0	+0½	6.24
World Bank 6 95	100	98⅞	99⅛	+0½	+0¼	6.12

Av. price changes: on day +⅛, on week +¼

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	105⅝	105⅞	0	+0¼	7.72
E.I.B. 8¼ 92	15	102¾	103¼	0	0	7.77
Japan Airlines 7⅞ 87	5†	101¾	102¼	0	0	7.05
New Zealand 7⅞ 89	15	102⅜	102⅞	0	+0⅛	7.85
World Bank 8⅞ 92	20	103¾	104½	0	0	7.57

Av. price changes: on day 0, on week +⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Farm Credit 12¼ 90 CS	75†	100⅝	101⅛	+0¼	+1	12.04
Norcen 12¾ 93 CS	60†	97⅛	97⅝	−0¼	+0⅞	13.22
TD MTG Corp 12½ 88 CS	40†	101½	102	+0⅜	+1⅛	11.97
Quebec Hydro 12¾ 93 CS	50†	102⅜	102⅞	0	+1¼	12.26
Royal Trstco 12⅝ 88 CS	50†	101⅞	102⅜	+0⅛	+1¾	12.03
World Bank 12¼ 90 CS	75†	101⅞	102⅜	+0⅛	+1⅛	11.77
Xerox Canada 12 88 CS	40†	103¼	103¾	+0½	+1⅛	10.98
E.I.B. 11⅛ 93 ECU	50	100	100⅝	0	0	11.06
Genfinance 11 90 ECU	60	97⅝	98⅜	0	−0⅝	11.42
Algemene Bank 8¾ 88 Fl	150	100⅝	101⅛	0	+0⅝	8.58
Bank Mees & Hope 9 88 Fl	75	101¼	101¾	+0⅛	+0⅞	8.59
Elect Sup Brd 8¾ 88 Fl	75	97¾	98¼	+0½	+0½	9.28
P.H.P. 8¾ 88 Fl	50	100	100½	+0⅛	+0⅝	8.57
Swed Exp Cred 7¾ 88 Fl	100	95⅛	95⅝	0	0	8.83
World Bank 9 88 Fl	100	102½	103	0	+0⅝	8.27
O.K.B. 14 88 FF	400	100½	101½	0	−0¼	13.37
Solvay & Cie 14⅛ 88 FF	200	101½	102½	−0⅛	−0½	13.58
B.F.C.E. 11½ 88 £	50	99¼	100	−0⅛	+0¼	11.56
British Oxyg 11¾ 91 £	50	100	100¾	−0½	0	11.64
CEPME 11⅛ 95 £	35	99¼	100¼	0	+0½	11.27
CIBA-Geigy Int 8¾ 93 £	25	97½	98¼	0	−0⅞	7.92
E.E.C. 11⅝ 91 £	50	101⅛	101⅞	0	+0⅝	11.53
E.E.C. 11⅞ 93 £	50	101¼	102	−0⅛	+0⅝	11.58
Fin For Ind 10½ 90 £	20	94¾	95½	−0⅛	+0¼	11.58
Finland Rep 11⅞ 88 £	50	100¼	101	+0⅛	+0⅝	11.67
Fin Met Oranj 12⅝ 92 £	30	104⅛	105⅛	0	+0⅝	11.78
Gen Elec Co 12½ 89 £	50	103½	104½	−0⅛	+0⅝	11.41
I.I.I. 10¾ 93 £	25	94½	95¼	−0⅛	+0¼	11.54
Mort Bk Fin 11¾ 88 £	15	98½	99½	+0¼	+1⅜	11.99
Norsk Hydro 12 90 £	30	102⅝	103⅜	0	+0⅛	11.28
Sweden 11¼ 93 £	50	98¼	99	0	+0⅝	11.47
Swed Exp Cred 11¼ 88 £	30	98⅝	99⅜	−0⅛	+0¼	11.57
World Bank 11⅛ 88 £	100	98⅞	99⅝	0	+0⅝	11.31
Euratom 11 93 LuxFr	500	102⅝	103⅝	0	+0¼	10.44
Europarat 10¾ 93 LuxFr	600	102¼	103¼	0	0	10.26

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5¼ 88	0¼	99⅝	99⅞	20/1	10.18	10.20
Caisse Nat Tele 5¼ 98	0⅛	99½	99¾	21/4	10	10.04
C.C.F. 5¼ 95	0⅛	99½	99¾	7/4	9.94	9.97
C.C.F. 5⅛ 98	0⅛	99⅞	100⅛	24/3	10.19	10.19
Cepme 5⅛ 88 WW	0¼	99¾	100¼	3/12	10.56	10.56
Cepme 5¼ 92	0¼	99¾	100	10/12	10½	10.51
Chemical NY 5¼ 94 ††	0¼	100⅜	100⅝	23/12	10	9.95
C.N.C.A. 5¼ 95 XW	0¼	99⅜	99⅝	7/12	10	10.05
C.N.C.A. 5¼ 97	0¼	99½	99¾	24/3	10.31	10.35
C.N.T. 5¼ 91	0¼	99⅝	99⅞	6/5	10.18	10.24
Credit Foncier 5⅛ 93	0¼	99½	99¾	6/4	10	10.04
Credit Lyonnais 5¼ 94	0⅛	99½	99¾	5/1	10.31	10.35
Credit Lyonnais 5¼ 97	0⅛	99½	99¾	1/4	10	10.04
Credit Nat 5⅛ 94	0⅛	98½	99¾	9/3	10⅝	10.79
Denmark 5⅛ 90	0¼	99¼	99½	13/4	10	10.06
Dresdner Fin 5⅛ 93 XW	0⅛	100⅛	100⅜	19/4	9.94	9.91
E.D.F. 5¼ 95 XW	0⅛	98⅞	100⅛	18/2	11⅛	11.38
E.E.C. 5 90	0⅛	100	100¼	5/1	10.19	10.17
Hispano 5¼ 95	0⅛	98¼	98½	20/4	10	10.17
NZ Steel Dev 5¼ 92	0⅛	100	100¼	22/12	10¼	10.24
Nippon Credit 5¼ 90	0⅛	100¼	100½	10/2	11¼	11.21
Soc Generale 5¼ 90 XW	0⅛	99½	99¾	5/5	10.31	10.35
Société Générale 5¼ 95	0¼	99¾	100	1/3	10.94	10.95
Sweden 5¼ 89	0¼	100	100¼	26/2	10.19	10.18
Sweden 5⅛ 93	0⅛	100⅜	100⅝	3/2	11.15	11.13

Av. price changes on day 0, on week +⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	122¼	123¾	+3	2.45
Canon 7 97	7/82	748.2	222⅜	224⅜	+4⅝	13.28
Daiwa Sec Co 5½ 98	10/83	508	97⅛	98⅝	+0⅛	3.99
Hitachi Cable 5¼ 96	2/82	515	106⅝	108⅛	+0⅝	11.16
Honda Motor 5¼ 98	6/83	884	117⅜	118⅞	+0⅝	2.88
Honda Motor 5½ 97	3/83	758.6	136⅝	138⅛	+1½	2.53
Konishiroku Photo 4 98	10/83	673	98⅞	99⅞	+0⅞	5.73
Kyowa Hakko 6¼ 97	2/83	782	113	114½	+0¾	11.48
Minebea Co Ltd. 5½ 98	5/83	867	111	112	−0¾	1.83
Mitsubishi Electric 5⅛ 98	6/83	396	111⅛	112⅛	+0⅛	2.70
Nippon Electric 5⅝ 97	2/82	785.9	173¾	175¼	+1¼	2.64
Nippon Oil Co 5½ 98	4/83	964	121⅞	123⅛	−0½	−0.36
Nissan Motor 5⅜ 98	4/83	770	101¼	102¼	+0⅝	10.45
Olympus Optical 6¾ 97	12/82	1331	103	104½	+1⅛	26.38
Orient Finance 5¼ 97	3/82	927.2	95⅛	96⅝	+0⅛	10.14
Orient Leasing 5¼ 98	6/83	2680	87¾	88¾	+0⅛	3.35
Secom 5 98	11/83	2028	127⅜	128⅞	+0¾	2.38
Sumitomo Electric 5½ 97	3/82	677.3	120⅞	122⅜	+0⅝	2.28
Yamaichi Sec Co 5 98	8/83	472	96	97½	0	3.42
Yamanouchi Pharm'cal 4 90	10/83	1008	99⅛	100⅛	−0⅛	7.21
NEC Corp 3½ 93 SF	6/83	978	145½	147½	+0½	−0.48
Sanyo Paper 3⅞ 93 SF	9/83	716	101⅛	103⅛	−0¾	11.61
Asics 5 92 DM	12/83*	520	107	108½	+0⅞	10.80
Konishiroku 6¾ 88 DM	6/82*	616	120	121½	+1⅛	2.75
Sun Realty 6¼ 92 DM	2/83*	365	125⅝	126⅞	+2½	−4.95

* No information available-previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.